J. Earl Coke

Son of California, a lifetime servant of California and United States agriculture: in government as Assistant Secretary, United States Department of Agriculture; Director, Commodity Credit Corporation; Director, California State Department of Agriculture; Secretary of the Agriculture and Services Agency as well as Assistant to the Governor for Cabinet Affairs — prominent in business as Vice President, Bank of America and Vice President, Spreckels Sugar Company — reared on a farm in the great Central Valley, an outstanding 4-H Club member and participant in the first 4-H transcontinental tour; a devoted friend to the youth of California's agriculture as Director, National 4-H Club Foundation; President, California 4-H Foundation and member of the National 4-H Service Committee; dedicated to education, the University's first agronomy specialist; served as Assistant Farm Advisor, San Luis Obispo County; Director of Agricultural Extension Service and holder of the national Certificate of Recognition of Epsilon Sigma Phi for his service to agriculture, the University of California, Division of Agricultural Sciences, inscribes this accolade to one of its most honored and distinguished servants.

Presented this day of December 11, 1975
in Redding, California by

J.B. Kendrick, Jr.
Vice President — Division of Agricultural Sciences

David S. Saxon
President

Shields Library University of California Davis
The Oral History Center

REMINISCENCES ON PEOPLE AND CHANGE IN CALIFORNIA AGRICULTURE 1900-1975:

J. EARL COKE

Preface by Harry R. Wellman

Interviews conducted by
Ann Foley Scheuring

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PREFACE

I am honored and pleased to have been invited to write a preface to J. Earl Coke's "Oral History." He is one of the distinguished California agriculturists of his and my generation. We have been warm friends for many years.

I first met Earl at the 1926 annual Agricultural Extension Service Conference. At that time, he was Assistant Farm Advisor in San Luis Obispo County. I had recently been appointed Extension Specialist in Agricultural Economics. I saw Earl at subsequent annual conferences and also on several occasions in San Luis Obispo County when I visited there in connection with economic studies of the almond and bean industries. But I did not become well acquainted with him until after he transferred to Berkeley in 1928 and became the first Extension Specialist in Agronomy.

Shortly after Earl and his wife Madelene moved to Berkeley, Ruth and I called upon them at their home on Colusa Avenue. We immediately took a strong liking for them, and that liking grew over the years into affection. They were a grand couple to be with. Later, they moved to Euclid Avenue, a few blocks from our home on Rock Lane. We continued to see them frequently even after Earl left the University and joined Spreckels Sugar Company. Our relationship became even closer when Earl returned to the University as Director of Agricultural Extension Service.

My belief that Earl would be an excellent Director of the University's Agricultural Extension Service was fully confirmed after he took office. I had been chairman of a committee appointed by President Sproul to advise on B. H. Crocheron's successor. Crocheron had died suddenly in the summer of 1948. It was clear to the committee that only a very capable person could successfully succeed Crocheron. After review of the qualifications of many people both in and outside the University, the committee submitted the names of three persons, including Earl's. I was convinced that Earl would be a superb choice, and I know that Dean Hutchison was also.

During the first three years that Earl was Director of Agricultural Extension, I had no official responsibilities for its operations. At that time, I was Director of the Giannini Foundation of Agricultural Economics. However, I did have the opportunity of observing rather closely Earl's performance and of learning how he was evaluated by his far-flung staff and by many farm leaders throughout the state.

Earl reported to me after I became Vice President--Agricultural Sciences on July 1, 1952, for six months before he was appointed Assistant Secretary of the U. S. Department of Agriculture, and for a second six-month period between the time he returned to the University and resigned to go with the Bank of America.

I would characterize Earl as a strong administrator. When he was faced with tough situations--and he was faced with many--he met them squarely; he assembled pertinent information and sought competent advice and then made his decisions promptly. And once made, he carried them out. I never knew him to make hasty decisions or to procrastinate hoping that difficult problems, if ignored long enough, would somehow go away.

Some staff members felt that Earl was too cold and that he was not sufficiently considerate of the personal problems of individuals working for him. I doubt that that view was widespread. I do know that Earl set high standards for himself and adhered to them and that he had no patience with slovenly work. The great majority of staff members of Agricultural Extension were dedicated, hard working and capable; and Earl did his best to reward them.

The two most important changes in Agricultural Extension which Earl made, it seems to me, were (1) having the specialists housed in their related subject matter departments and (2) encouraging county personnel to initiate programs which they believed to be most beneficial for their counties. The first change promoted a closer relationship between Experiment Station researchers and Extension Service teachers. The second change enhanced the morale of the county staffs. Both improved the University's efforts to help the farm people of the state.

Earl's high competence as an administrator was demonstrated not only when he was Director of the University's Agricultural Extension Service but also when he was Assistant Secretary of the U. S. Department of Agriculture. Oris Wells, a longtime employee of the U. S. Department of Agriculture who was Chief of the Bureau of Agricultural Economics, 1946-1953, and Administrator--Agricultural Marketing Service, 1953-1961, told me when he was in Berkeley as Regents' Lecturer (1973) that Earl was the most capable administrator of any Assistant Secretary to whom he had reported.

Naturally, my contacts with Earl were much less frequent after he joined the Bank of America and moved to San Francisco. Also, Madelene had died that spring. But I did see Earl from time to time at agricultural meetings of one sort or another. And I kept pretty good track of what he was doing and how well he was doing from Jesse W. Tapp, Chairman of the Board of Directors of the Bank of America. Jesse was highly laudatory of Earl's performance. After Earl married Elizabeth Harold, fondly known by her many friends as "Billie," we visited back and forth fairly regularly.

The period when I had the least direct contact with Earl was when he became Secretary of the Agriculture and Services Agency under Governor Reagan, and he and Billie had moved to Sacramento. I understand that during that period Earl continued to be supportive of the University, but that with respect to University matters Governor Reagan followed the advice of his educational advisor, an embittered ex-professor of the Berkeley campus. After they returned to San Francisco following Earl's resignation because of failing sight, our visiting together was resumed and has continued to

this day.

There are some people with whom I feel perfectly at ease regardless of the topic being discussed--important or trivial, local or national, business or political--or of the lapse of time since we had last met--a month, a year, or longer. Earl is one of those people.

I close this preface with the following salute:

To Earl:

With respect, admiration, and affection,

Harry R. Wellman
Professor of Agricultural Economics, Emeritus
Vice President of the University, Emeritus

HISTORY OF THE INTERVIEWS

The Oral History Center of the University of California at Davis was created by the University Library in order to produce and preserve the biographical memoirs of persons of major importance to the history of California agriculture as well as to the Davis campus.

Funding for this volume and one other was provided through the office of University of California Vice President C. O. McCorkle, Jr., in charge of the Division of Agricultural Sciences, in an effort to encourage the preservation of such memoirs. The Oral History Center faculty advisory committee selected Earl Coke and Henry Schacht as two outstanding personalities in California agriculture to be interviewed in this specially funded series. Later, this series was extended to include zoologist Herman Spieth, former chancellor at U.C. Riverside.

The oral history of Earl Coke consists of eleven interviews taped over a ten month period, transcribed and edited for sequence and economy. The dates of the interviews were, in 1975, April 14, May 2, May 14, June 6, June 18, July 1, July 15, August 11, September 2, November 16, and, in 1976, February 18.

Each interview was from an hour and a half to two hours long. The schedule followed was largely chronological, with the February interview being a supplementary session aimed at clarifying a few of the details covered in earlier interviews.

In spite of his failing eyesight, Mr. Coke reviewed the transcripts after the interviewer had edited them lightly once, and went over the manuscript again after it had been put into sequence and chaptered. He made relatively few changes; some of them were intended to make more precise his meaning, and a very few consisted of deletions of what he thought might be construed as unkind remarks.

Responsibility for the finished editing is taken by Ann Scheuring. Indexing was done by Kathy Butz and Mark Carlson of the Oral History Center, and the all-important typing of the manuscript was done by Lois Smith with great patience and skill.

IMPRESSIONS OF EARL COKE

As I began doing research for the interviewing of Earl Coke, two or three people told me that he was probably the most influential single figure on the California agricultural scene for the past fifty years. He had the reputation as a kind of elder statesman for agriculture. Obviously he was widely respected; I found too, however, that he was regarded with real affection by at least several of the people whom I interviewed for background insights into his career.

All of our interviews were held in his Nob Hill apartment in San Francisco, a pleasant, airy place on the sixth floor of an apartment building across the street from the Fairmont. It commanded a sweeping view of the city, with the tall Bank of America building rising appropriately in the center of the outlook from the Cokes' living room windows. Elegantly furnished in traditional style, this was a comfortable place for the Cokes to spend their retirement years.

Mrs. Coke occasionally appeared on the scene but did not collaborate in the interviews. Between her and Mr. Coke there seemed to be a warm affection. They both also enjoyed the company of a large fluffy cat, who strode authoritatively about the apartment on his own errands.

Our interviews were conducted in the mornings after I drove down from Davis. Mr. Coke always had a pot of delicious strong coffee waiting my arrival, serving it to me himself without hesitation in spite of his dim eyesight. (It was always difficult for me to believe that he was legally blind, he was so unerring in his movements--but reading, he said, was a different matter, extremely laborious and slow. Nevertheless, he plowed his way through the manuscripts not once, but twice.)

Even at the age of 75, Mr. Coke had a commanding presence. Tall and erect, silver-haired and handsome, he had an air of authority and confidence, the air of a man who knows he has a firm place in this world. He was also courtly, and concerned that the interviewer as his guest was being well taken care of. As the interviews went on, he warmed to the subjects and became more relaxed and humorous in his responses. Though we agreed beforehand what the general subject of each interview would be, he never asked for any questions in advance, or used notes. He responded directly to most questions, not always with much detail; his habits of speech were concise rather than diffuse. It seemed to the interviewer that he was probably less a man of talk than of action.

As we covered many different subjects in the interviews, his broad range of knowledge about agriculture was evident.

When asked a question which he could not answer, however, he would say simply that he did not know or could not remember. I never had the feeling that he was trying to deceive or cover up; one of his most appealing qualities as an interviewee was his apparent forthrightness, his honest attempt to answer the questions exactly as they were stated.

Several times Mr. Coke expressed uneasiness that the whole idea of an oral history seemed to him to put too much emphasis on him as an individual. He would have preferred to give more credit to other persons who were involved with him in the many activities of his lifetime. He recognized quite clearly that probably his greatest success in life had been in dealing with people, and his modesty forbade him to accept credit he thought overblown. During the year we interviewed, he was the receiver of three separate honors from the University of California, two awards described in the memoir, and a testimonial dinner attended by many of his old friends. Although obviously highly delighted and pleased, he told me, "I really don't know why they (University officials) are doing all this. I guess if you live long enough, these things just come."

It seemed to me quite clear after my year's association with Earl Coke just why so many people thought so highly of him. Capable and conscientious as an administrator, consistent in his philosophy of limited governmental regulation and admiration for the free enterprise system, he was also a warm and well-balanced human being. Conservative in his political and economic views, still he was a reasonable man with whom others of dissimilar opinions could work productively, and who called out the best from his subordinates. I found that though I myself often did not agree with his expressed views, I had no doubt that on the job he would have always attempted to cooperate constructively with others of varying persuasions.

Interviewing him was indeed a pleasure.

Ann Scheuring, Interviewer
October, 1976

BIOGRAPHICAL SKETCH

Earl Coke was the first Secretary of the Agriculture and Services Agency, established in 1968. A native Californian, with a lifelong career in agriculture on the local, state and national level, Mr. Coke was appointed as Director of Agriculture in January 1967 by Governor Ronald Reagan, and was elevated to the position of Secretary of the Agriculture and Services Agency in September 1968. Mr. Coke held this position until September 1972 at which time he resigned to become self-employed. From February to October 1969, he also served Governor Reagan as his Assistant for Cabinet Affairs. During January and February 1970, in addition to his Agency responsibilities, Secretary Coke acted as Director of the Department of General Services, providing leadership to that department until a new director could be appointed.

The son of Walter W. and Minnie E. (Smith) Coke, Mr. Coke was raised on a farm in San Bernardino County. He was graduated from Chaffey Union High School in Ontario, California. He attended Pomona College in Claremont, California (1919-1920) and received his Bachelor of Science degree in agriculture from the University of California at Berkeley in 1923. In 1955 he was awarded an honorary degree of Doctor of Science from Clemson University's College of Agriculture.

Prior to becoming the Director of the California Department of Agriculture, Mr. Coke was president of Consolidated Agricultural Industries, a marketing organization in San Francisco. He served in the Agricultural Extension Service of the University of California from 1923 to 1935 as an assistant farm advisor and extension specialist in agronomy (1929). From 1935 to 1949 he was vice president, general agriculturalist and a member of the board of directors of Spreckels Sugar Company (San Francisco).

Returning to the University of California in 1949, he served as Director of the California Agricultural Extension Service until 1955. He took a leave of absence in 1952-53 to serve in the Eisenhower Administration as Assistant Secretary of Agriculture in the United State Department of Agriculture. In this position he was responsible for five agencies of the Department: Agricultural Research Service, Agricultural Extension Service, the U. S. Forest Service, the Soil Conservation Service and the Farmers Cooperative Service.

He was vice president of the Bank of America in charge of agricultural loans and other activities from 1955 to 1965 when he became president of Consolidated Agricultural Industries.

He is married to Ella Elizabeth Coke and has two sons and one daughter: James Earl Coke, Jr., an architect; Thomas Richard Coke, a member of the faculty of San Jose State University; and Mrs. William O'Brien.

I. EARLY PERSONAL AND FAMILY HISTORY

Scheuring: Mr. Coke, where were you born and when?

Coke: I was born about twelve miles east of Los Angeles, at Downey, on May 28, 1900, in my grandfather Coke's home. I have two brothers; one brother, William Howard Coke, is a physician, still practicing at 77. My other brother, Wilbur S. Coke, at age 80 operates his very successful farm located near Sanger, California, where he produces peaches and plums. All three of us were graduated from the University of California College of Agriculture. Howard received his medical degree after earning his B.S. in agriculture.

My mother and father both were born in California. Mother was born at Spadra near Pomona, and Dad at Morro Bay near San Luis Obispo. My father's father came to California in 1850 at the age of twelve, arriving after they overwintered in Salt Lake City to avoid a winter crossing of the Sierras.

Scheuring: They were real pioneers.

Coke: They were real pioneers; they were farm people, and why they came to California I don't know. I don't think it was so much the gold because they apparently did very little prospecting, and certainly left very little of the yellow stuff to their offspring. They almost immediately went into farming, first at Santa Rosa, and then in San Luis Obispo County near Morro Bay.

Scheuring: Where did they come from?

Coke: They came from Missouri. My guess is that farther back than that it was Virginia, then Kentucky; I should explain that, until 1900, the spelling of the name was C-O-C-K-E. My father, who is the oldest of nine children in that family, took the lead to have the name changed to C-O-K-E, and everybody followed suit. My father's name was Walter Wilbur Coke and my mother's name was Minnie Eugenia Smith Coke.

Coke: My dad's mother's family came originally from the Isle of Guernsey; their name was Langlois. They also came to California in 1850. They too settled in San Luis Obispo County on Morro Creek only a few miles from the home of the Cokes. The house they lived in was still in use a few years ago, thus it was at least 100 years old. They had a dairy, and churned the cream, packing the butter in drums until the boat sailed into Morro Bay from San Francisco, when it was put on board to send to market.

There's a story about the Langlois' coming across the plains which I think is interesting in that it really points up their limited diet. The story came from a letter written by great grandmother Langlois. She wrote that her baby--this was Alice, my grandmother--became desperately ill on the trip. Some of the people said that if they could get some sugar for her, it would help her. There was none in their own group, so some of the men rode back to the next wagon train to see if there was any sugar there. There was none, so they rode on to the next wagon train where somebody did have a loaf of sugar and gave some of it to them. They brought it back, and started feeding it to the baby. She started to get well immediately.

After farming in San Luis Obispo for some time, I don't know how long, my Coke family moved to Southern California and settled near Downey. This was about the time of the Civil War. Apparently Downey became the center of southern sympathizers.

There my grandad developed a dairy. I remember that since they had no barn, they milked the cows out in the open corral, and the boys had stools that were strapped on them, so that when they got up from milking a cow, the stool went with them. I'm sure that this milk would not meet today's standards for sanitation. The milk went to a cheese factory. My father owned and operated one of these factories for a time.

Scheuring: The milk and the milk products were all sold locally then, in what would be the Los Angeles area?

Coke: Yes, that's right.

Scheuring: What size operation was it? Do you remember?

Coke: I would guess they were milking between fifty and seventy-five cows.

Scheuring: Was that about average for the time?

Coke: I would think so at that time. They depended upon pasture for feed. The pasture was largely bermuda grass, which was a fair pasture if it was irrigated.

My father, as I said, was the older of his four brothers and four sisters. Grandad Coke had a way of starting the sons out in business, and that was to give each of them a ranch that was heavily mortgaged (laughter). Some of them made it, and some didn't, but he didn't believe in handing it out "free and easy." In those days a mortgaged ranch was tough because you didn't have amortized mortgage payments like we do now; it became payable at one time. To help pay for his ranch, my dad bought up a herd of young dairy cattle, and shipped them to Gila Bend, Arizona, where there was cheap land, cheap water, and cheap feed. He planned to raise these young animals and then ship them back into the Los Angeles area.

Scheuring: What year was this?

Coke: This was 1900, because it was the year I was born. My mother took the train from Los Angeles to Gila Bend with my brothers and me after my dad had become somewhat established.

She tells the story about arriving at Gila Bend late at night, and my dad was not there to meet her. A 100-pound, five-foot-tall-lady with three small kids, one of them squalling his head off (that was me), at a flag stop on the Santa Fe railroad! When the train stopped, the conductor said to mother, "You're not getting off here, are you? There is an epidemic of diphtheria going around!" On top of that, my father had overslept, but he arrived before the train pulled out.

My mother, although small, was a determined lady. She died when she was just slightly over 100 years of age. She told me about ten years before her death, "I can't see any reason why I can't live to be 100," and she did.

My dad lost heavily on the dairy venture as most of the animals died from blackleg infection. We were next in Pasadena, where dad had a dairy on Chester Street--what is now almost the center of Pasadena.

Then in 1907 we moved to Alpaugh, which is a way-stop in Tulare County. That was the year of a big flood. Tulare Lake spread out over vast areas. Alpaugh was surrounded by water. The mosquitoes and other bugs were so thick that my dad built a tent barn to put the horses in at night, then used a smudge of burning damp straw to get enough smoke in there to stupify the

Coke: mosquitoes so that the horses could live. I recall at home at that time, we'd set the kerosene lamp in a bowl of water to catch the bugs; they'd hit the hot lamp chimney and fall in the bowl. We of course slept under mosquito netting.

Scheuring: Was there quite a bit of disease associated with the mosquitoes?

Coke: Not that I would know. Certainly we didn't get it.

Scheuring: Were you always a healthy family?

Coke: I think I could say yes to that, with mother living to be over 100, dad 89, and all three of their sons now over 75.

There was a Los Angeles-based company trying to bring water to Alpaugh. They sold land; they would bring people in there and let them see this "wonderful, fertile land." To obtain irrigation water they bored wells in an area called Artesia, not too far from Alpaugh, where there were flowing wells. After they had dug a number of wells they uncapped all of them and found out that the flow from all of them was not much greater than from the first well dug. There wasn't enough reserve underground, so they were exceedingly short of water. Then, when they got the water in the canal, sinkholes would occur; the bottom would just fall out of the ditch and there would be huge holes which you could put a small house in.

Scheuring: These were all early efforts at irrigation?

Coke: Yes. Alpaugh did not develop very well. It was an agricultural disappointment.

From Alpaugh we went to Visalia for the summer of 1907 to pick fruit, and after the picking season was over, we went to Yosemite for ten days. My grandad and an aunt joined us, so that made seven, and there was another family of six. Each family drove a team of horses with a camp wagon. As far as I was concerned, this was a real adventure, especially since the park was under the jurisdiction of the army and a unit of Cavalry was stationed there. We saw a good deal of the soldiers and their beautiful horses because of the three young girls in our party!

Scheuring: Was it difficult to get into the valley then?

Coke: No, I don't think so; we had no trouble. When we left Yosemite our party split up and my family drove the camp wagon with our personal belongings to Downey. That was a hazardous trip, because in going over the Newhall pass--which was very steep--we nearly lost our camp wagon, as dad had locked the rear wheel. The wagon

Coke: started skidding sideways. Fortunately it skidded into the bank.

Dad got involved in another land development project south of Ontario, in an area called Bethel. It was some kind of a semi-religious group; and you had to have pretty good religion to live there. The soil was sandy and the Santa Ana winds blew from the desert through this area on occasion, carrying great quantities of sand. It was miserable because there was nothing to stop the wind or the sand. The winds blew out crops, piled up sand dunes, filled up irrigation ditches, and when we finally got water and electricity they blew down the power lines. In spite of this the country developed into a fine agricultural area. But it was no fun living in that area until it got built up enough so there was something holding the sand.

About 1912 dad built a new modern house on the ranch and of all things had a solar heater installed. I guess there were times when we were out of hot water, but not enough so that I remember any trouble. But this was characteristic of my dad, he was always looking ahead.

Scheuring: Do you remember anything about how the solar heater was constructed?

Coke: It consisted of a box located on the roof, with a southern exposure. The box was perhaps eight feet by twenty feet by eight inches, glass-enclosed with a coil of pipe painted black laid in the box. The pipes were attached to an insulated storage tank. It worked effectively. I still believe there's real opportunity for the use of solar heat.

We had a dairy and we milked thirty cows. I think my dad figured that a dairy was good to have when you raise a family because it can provide "full employment" for the family. This was truly a family farm. I am not one of those who are concerned that they are being eliminated. We had only horse power, no tractor, at that time.

Scheuring: It was a great deal of work.

Coke: Right, morning, noon and night--365 days a year. We owned fifty acres, but leased an additional fifty. My two brothers and I worked hard on the ranch, though both of my parents were also determined that we would get a good education.

Scheuring: What kinds of chores did you and your brothers do, for example?

Coke: We did everything. We milked cows, and the other work required

Coke: to raise alfalfa, corn for silage, potatoes, and so on.

My father was a good manager, a leader in the Farm Bureau. He helped organize the county cow-testing association and was much involved in other community and church activities. His dairy herd was always at or near the top in production per cow in the association. Dad knew his business.

Scheuring: From what you say, he sounds like a man of some vision for the future.

Coke: Yes, very much. He farmed until he was fifty, then sold the place and began teaching agriculture, first at Chaffee Union High School, then at Ontario, then at Covelo High School in Mendocino County, and finally at Orland High School, where he taught until he was seventy-five. He was a real leader in the community; he sang in the choir, was a Sunday school superintendent, and did many things for his students.

Scheuring: He must have been good with young people.

Coke: He was. Jack Pickett's father, John Pickett, as editor of the Pacific Rural Press later called the California Farmer, wrote a story about him and the wonderful job he had done in providing opportunities for his students. For instance, he'd take them over to Humboldt County and help them buy up calves, which the boys then raised--and that was the means of some of them getting into the dairy business.

High School Agricultural Club

Scheuring: How did you yourself get involved in agricultural projects as a student?

Coke: I had just enrolled as a freshman at Chaffee, when the agricultural instructor, Charles J. Booth, met me in the hall one day and said, "Why don't you join the Agricultural Club?" That sounded interesting so I joined and had as my project one quarter acre of mixed vegetables--sweet potatoes and string beans. These early clubs were called Agricultural Clubs, and were under the supervision of the Agricultural Extension Service and the high school agricultural teacher. Later they were called 4-H Clubs.

Scheuring: The quarter of an acre was at school?

Coke: No, at home. My dad and mother both took a great interest in this, otherwise I wouldn't have gotten anywhere. As a result of this work I won first place in the club (I remember I made a profit of $47.55 on that quarter acre). That entitled me to go on the transcontinental trip that was conducted by Professor B. H. Crocheron, director of the California Agricultural Extension Service.

Let's talk about the development of Agricultural Extension in California. Thomas Forsyth Hunt was Dean of the College of Agriculture at the time. The Smith-Lever Act was passed in 1914 by Congress providing federal money to the states to establish agricultural extension services.

Dean Hunt had come earlier from Cornell University, and he hired B. H. Crocheron, a graduate of Cornell, to become Director of Agricultural Extension in California. "B. H." had been teaching at a small agricultural school at Sparks, Maryland, and he had made a name for himself because he used the "corn club" as a means of teaching farmers in the community to increase the yields of corn. B. H. was an inspiring speaker, and so was in great demand on the Chautauqua circuit. Dean Hunt persuaded him to come out to California to be director of the newly organized Extension Service. Professor Crocheron organized and conducted three agricultural club transcontinental tours. I was on the second trip in 1916.

The 1916 Transcontinental Tour

Scheuring: Who did he take on these trips?

Coke: On our trip there were twenty-four boys; each was a winner from an agricultural club from various parts of California. We were selected and financed by the local community. As I recall it, the cost of this thirty-day trip around the United States was slightly over $200. We lived and travelled in a Pullman car, except when we went by boat from Boston to New York. We had the same porter, Bill, on the entire trip, a great fellow. We visited farms and experiment stations in major agricultural regions of the U. S. Usually we were guests of local Chambers of Commerce, Boards of Trade and farm organizations; they'd have a banquet for us and take us to their packing plants, wholesale markets, farming areas and so on. We were treated royally; my only regret was that it should have happened when I was ten years older!

Scheuring: You must have grasped a good deal anyway.

Coke: Yes, this event did more to change the direction of my life than any other event.

I grew very enthused about Extension because of my admiration for Professor Crocheron--also I had sort of a missionary attitude, that I was in this world to do some good.

Scheuring: What are your memories of Crocheron personally on that trip?

Coke: There was no man in my life, and I think that's true even including my father, who did more to influence me than Professor Crocheron. He was a handsome man; tall, thin, he had a mustache that was always trimmed, hair beautifully combed, and he had the ability to say things that made deep impressions. On that trip, we all would gather round him in the evening while we were traveling in the car, and we'd sing, and he'd talk to us, about hitching goals to a star and things like that.

Scheuring: You boys really idolized him?

Coke: Yes, and it didn't stop with just the trip. I had a lifelong feeling of admiration for him. He was a rather dapper man, who could go to a farm meeting and talk to a group of farmers and not high-hat them at all; they'd feel like he knew them and he knew what he was talking about. So he had great ability.

It was a great loss when B. H. finally died. In 1949 when President Sproul offered me the opportunity to return to the University as Director of Agricultural Extension I was glad to accept, even though the pay was less than I had been earning. I still had this idea that there was something good in this world that I might have a hand in, and I felt that Extension was a vehicle of doing good things.

Scheuring: Going back a little bit on that note, did your family have a strong religious affiliation?

Coke: My father was very religious; we became members of the Free Methodist Church which at that time was like the early Methodist Church. No instrumental music was permitted. My mother could not wear her wedding ring, or gold watch, or flowers on her hat. This bothered her a great deal, I am sure, although she did not complain.

Scheuring: They're a strict denomination?

Coke: They were, yes, and for my money very narrow. I resented the whole thing.

Scheuring: Did you have to attend Sunday school regularly?

Coke: Yes, and church and prayer meetings. And then they were always having evangelistic meetings and trying to get everybody saved. I never could figure out what they were going to save me from, and so it was the kind of experience that I didn't like, and I'd have been closer to my father if I hadn't felt that he was always trying to get me to heaven, and was having a hell of a time of it.

Scheuring: He was very fervent himself?

Coke: Yes.

Scheuring: Did the family change denominations during your growing up period? To another church?

Coke: My dad and mother became members of the Community Church in Arcadia. They were very active in this church.

Scheuring: Was your mother quite a feminine lady?

Coke: Very feminine, as you can see by the picture. My mother had more influence on me than perhaps my dad. She had great faith in us. There was never any question in the minds of either dad or mother but that we were going to have an education. My mother wasn't a strong woman physically or from the standpoint of dominating anything; but she was a strong woman from the standpoint of her affection. I can still see her trudging across the fields where we were baling hay on a hot afternoon, carrying a container of iced lemonade.

Scheuring: She must have had a great deal of work to do on the farm.

Coke: Yes, she did. But she made out with some hired help and help from dad and us boys. Being the youngest, I had to do more house work than was my share--at least that is what I thought.

Scheuring: Were you and your brothers close?

Coke: With my brother Howard I was very close. In recent years we have all become very close.

Scheuring: What did you and your brothers do for recreation when you weren't working?

Coke: Occasionally we would take a trip such as the one to Yosemite, or to the San Diego World's Fair or to Laguna for a week or two. But with a dairy there was not much of an opportunity for recreation.

Scheuring: So there weren't any fishing excursions or ball games or anything of that sort?

Coke: No.

Scheuring: Were your brothers as involved in the Agricultural Club as you?

Coke: No, I was the only one who got into it. They were, of course, older--therefore, they got involved in the war. My oldest brother was in the service, he was in the war chemical service; and my other brother, the doctor, was scheduled to go and had been called up; he was to have left the day after Armistice was signed.

Scheuring: Did your father expect the boys to take over the farm after him? Or hope that they would?

Coke: I don't know. He was more concerned about the operation of the ranch from day to day.

Being a leader in agriculture and in his community, as well as a ranch manager, kept him fully occupied. At age fifty, after disposing of the ranch, he started teaching. It was a good time for him to get out of farming. More acreage than he had was required to support the cost of labor-saving machinery which was then becoming available.

Scheuring: This was a bad time for farms, right after World War I?

Coke: That's right; prices were low. And he had some unfortunate circumstances affecting the sale of the property.

Scheuring: Was your father at all interested in politics or national affairs?

Coke: No, not as an active participant, although he had a broad interest in the affairs of the world.

Scheuring: Did you have favorite teachers in high school?

Coke: I owe a great deal to some of my high school teachers. While school was closed during the flu epidemic of 1918, two of my teachers, Mr. Mather and Mr. Cushing, made special trips to school so that I could take their courses in civics and physics. Another teacher, Miss Avery, spent hours drilling me in public speaking and entered me in various speaking contests. Charles J. Booth, from the time he encouraged me to become an agricultural club member, was a friend and interested advisor.

Scheuring: Did you work while going to school?

Coke: In my junior and senior year of high school I milked thirty cows (we used milking machines) before going to school. My brother did the milking in the evening. I'd do it in the morning. I had to get up at three-thirty in the morning and milk my string of thirty cows and feed them and clean up the barns before going to school.

At this time I started going with a pretty auburn-haired Canadian girl, Madelene Fulton, who later became my bride and remained so for thirty-three years. I, of course, would go to see her and occasionally I'd get home sometimes just in time to change my clothes (laughter) and do the milking in the morning, much to the disgust of my father.

Scheuring: I would like to return to your speech teacher. She must have thought you were gifted.

Coke: Well, at least I was willing to work at it and I would learn my lines. When I got up in the morning to milk the cows, I'd take with me a portion of what I was learning, and I'd attach it to my leg with a rubber band so that when I sat down to "strip" the cow, I could use that as a prompter to aid me in memorizing the speech.

Scheuring: The cows heard a good many speeches that way (laughter).

Coke: They became well educated.

Scheuring: What were the subjects of those speeches, or do you remember--government?

Coke: There were many of them. This was, of course, right at the time of the war and there were speeches by President Wilson and Lloyd George . . . I can't remember, but they were largely war-related speeches that were popular at that time.

Scheuring: And there was competition between high schools?

Coke: That's right, they were usually held at Pomona College.

Scheuring: You must have made good grades in high school or else your teachers wouldn't have had so much faith in you, right?

Coke: With all the help and encouragement I received from my family and teachers it would have been difficult not to do well.

Scheuring: How many were in your class at that time, or do you remember?

Coke: I think in my graduating class there were fifty or sixty students.

Scheuring: How was it that you chose to go to Pomona then?

Coke: One of my uncles had gone there, and of course my two brothers. It was a good place to go for general education courses. Then I decided I wanted agriculture and that's when I went to Berkeley.

Scheuring: When you went to Berkeley, then, that was really your first time away from home and away from your family?

Coke: Yes, except for six weeks that I ran a dairy for my dad in Tulare--a little country town called Paige; I don't think you can find it on the map anymore. Dad had taken over a herd of dairy cattle on a mortgage foreclosure and he sent me up to run the dairy until the sixteen cows could be sold. They were the scrawniest, orneriest bunch of critters I'd ever seen--the previous owner had fed them from a hay stack that was mostly foxtail.

Scheuring: What is that, a weed?

Coke: Yes. They had abcesses in their throat, and I had to slice the abcesses, and milk the cows--(they didn't give much milk fortunately)--and keep them alive until we found a buyer. I was out there six weeks, by myself, running this; it was an unpleasant experience.

When I went to Berkeley though, that's the first time I was away from home for any length of time.

Scheuring: That last anecdote seems to indicate that you had a great deal of responsibility as a child and a young man, didn't you?

Coke: I guess that's right. When my folks went away I was in charge. My dad became very displeased with me one time because while he and mother were away and I was running the ranch, doing the milking, one of the cows bloated. That was not unusual for we were feeding green alfalfa. Our usual practice when a cow bloated was to put her in a stanchion; we had specially constructed stanchions, with the cow's front feet higher than the back. If that didn't relieve the bloat, then we'd get a bottle of kerosene and water and run it down her throat; that did the job mostly. But this particular cow that we had was an ornery one anyway, and it bloated, and it got down and I couldn't get it up on its feet. I used a trocar, pushing it into the side of the animal just below the hip to relieve the gas pressure. This saved the cow but cost my dad some money because he had to have the veterinarian out to clean up the mess. So I wasn't a very good manager that time.

Scheuring: It sounds like that cow might have died otherwise though, right?

Coke: Yes, but I shouldn't have let it get to that stage. I don't know why I'm telling that story (laughter).

Scheuring: Do you have any nostalgia about those days on the farm?

Coke: I do not, I'm glad they're behind me. I've never wanted to go back on that kind of an operation. As a matter of fact, farming to me is something that I'd rather talk about or help finance, than to be involved in the operation, because I guess I know too many of the problems involved.

Scheuring: I was going to ask you that, if you had ever wanted, during your long career, to go back into ranching or farming?

Coke: No; I saw the need for too much money, and I couldn't accumulate the money to do things right. I didn't want to try it on a shoestring and lose everything I had, as so many people have done.

Scheuring: Yet you chose to go into agriculture as a career when you went to Berkeley?

Coke: Yes, and this is not because I really chose it--I thought I wanted to be a doctor, but I couldn't see the time nor money to get into that; I tried to change, when I was at Berkeley, from agriculture to bacteriology, and that didn't work because it would have taken so much more time and money. So, in one respect I went into agriculture pretty much because that was what I knew and I was boosted along this route by events such as the Agricultural Club activity.

College Years at UC

Scheuring: What did you specialize in?

Coke: My major was agronomy.

Scheuring: Agronomy; it's interesting that you chose that rather than dairy science.

Coke: Well, I didn't want anything to do with cows (laughter), I'd had enough of them! There's no real reason why I went into agronomy other than it was a general agriculture course that would give

Coke: the kind of general education that would help me to get into Extension.

Scheuring: You really had that aim?

Coke: Oh yes, from the time of the transcontinental tour and my association with Crocheron.

Scheuring: Where did you live while you were in Berkeley?

Coke: As a student I lived in various places; I was at Berkeley one and one half years and one year at Davis.

I lived in private places; I was not a member of a fraternity. I had to work, so I worked for a while at one of the frats washing dishes for my meals. My brother was up there and I lived with him and his wife for a time. We took a job with the American Express unloading freight in Berkeley. He worked in the evenings and I'd work in the morning (again one of these jobs where I had to get up at three-thirty).

Scheuring: Do you remember any particular professors or courses that influenced you greatly?

Coke: Well, I suspect the professor that influenced me most was R. L. Adams, professor of farm management. He had worked for Miller and Lux, and so he wove into his farm management course an awful lot of practical things that had gone on in agriculture and that appealed to me very much.

My friend, Ben Madson, was very nice to me. Professor Fletcher of agricultural engineering was a terrific teacher. I thoroughly enjoyed his classes, even though I was not a mechanically minded person. Sam Beckett, who was professor of irrigation, was another real leader who got out and did things. We did a lot of survey work under Sam Beckett. We'd get the crews together and he'd walk faster than anybody. He was business all the time, and thoroughly enjoyable.

Scheuring: When you were going through so fast, it sounds like you were working full-time and then some; but did you have any recreational activities?

Coke: Yes, I went out for track at Davis. I loved to run, but never had the opportunity at Berkeley.

Scheuring: You were up in Davis for how long?

Coke: One summer session and two semesters.

Coke: One of my track experiences was at the University of Nevada, in Reno. I'm sure I was in pretty good shape, but not good enough shape to run at a mile-high university and run a mile. I didn't win, but the coach wanted me to run the two mile too. I refused because I was sick enough with the mile run, and I'm glad I didn't, because my running partner did run the two mile and apparently it really hurt him for a long time.

I participated in the Davis Picnic Day festivity, fitted and showed a calf, and also I took part in a skit, "The Lady That's Known as Lou"--I was Lou, and won a prize for my "acting".

Scheuring: What about your experience with teacher training?

Coke: My college courses had been arranged so I could get an agricultural teacher certificate. However, practice teaching was also required. So, one summer--I guess it was the summer between my junior and senior year--they sent me down to George Junior Republic to do my teacher training at Chino. It's a private school where the students were fellows that the court had sent there. So they were problem kids. I had absolutely no trouble with them, and I don't know why, except that I was there during the spring semester and it was getting hot. The kids loved to swim, and if you had any disciplinary problems you'd just say, "You can't go swimming," and they'd straighten up. I suspect that's one of the reasons why I got by as well as I did. But I was never really interested in teaching because I didn't think I wanted to be a school teacher in a school room. I preferred the idea of being a farm advisor.

II. ASSISTANT FARM ADVISOR, 1922-28

Scheuring: When did you graduate from Berkeley?

Coke: In December 1922, and I knew that I had a job in the Agricultural Extension Service as itinerant assistant farm adviser. So in my first job after graduating, I went to work for Professor Crocheron, compiling the annual report of the Agricultural Extension Service for 1922.

Scheuring: Had you arranged with Professor Crocheron before your graduation that you would be taken on?

Coke: Yes, although the arrangement was very informal, at least on my part--I just went to work the day following the completion of my final examination.

Scheuring: You had still had some contact with him through your college years?

Coke: Oh yes, I'd see him occasionally, but not often. I think he was surprised that I married before graduating. But with an assured job, I wasn't taking any chances when I did that. I think B. H. didn't want me to marry so soon.

I thought I would be an itinerant or an assistant farm advisory, who moved around from place to place, wherever there was a need. My first job was in Placer County, in Auburn, making a fruit acreage survey. B. H. seemed to be pleased with it, and moved me to Shasta County. I was up there for a few months--why, I don't know, there wasn't anything to do. It was a discouraging assignment. Then they moved me to San Luis Obispo.

Scheuring: Your wife went with you on all these moves?

Coke: Yes, we'd move--we didn't own very much so we'd put everything in the back of the car and be off.

Coke: When we got to San Luis Obispo, I almost got into trouble. Frank Murphy, who was the county farm advisor, was a dairy major and only liked dairy work, so he wanted to slough off all the other work. He told the press that I was coming to San Luis Obispo County as an expert on horticulture and poultry--and I knew little about either one. I'd had one lecture course in horticulture, and nothing in poultry! Now that was kind of a mean trick, but it was probably good for me because I boned up and got some help out of the specialists at Berkeley--not much.

I made one gross error by conducting a pruning demonstration on almonds; later I found out that almonds are not pruned, at least under those growing conditions (laughter). Why they didn't kick me out, I don't know. But the four years I spent at San Luis Obispo as assistant farm advisor were four great years. I made many friends. Going back to San Luis later was like going home.

Land Development Problems in San Luis Obispo County

There were problems in land development in the county. Many midwestern and eastern people in Atascadero and around Paso Robles had been sold property on the basis of "ten acres and financial independence" and knew nothing about farming there. These people believed they could retire when the trees, mostly almonds, came into bearing. It was a horrible situation. There were two land speculators; there was E. G. Lewis, who developed Atascadero. He was later convicted, I think, of fraud and was put in jail.

Scheuring: Atascadero was a planned community then?

Coke: Yes, planned by E. G. Lewis. There was a lot of ill feeling, and economic suffering as a result of his development.

There was another land speculation operation by the Associated Almond Growers, in which they sold acreage in almond "orchards" that hadn't even been planted to people in the Midwest and East.

I became involved in these speculative deals because purchasers would write in to the University to find out what had happened to their land and orchards. I inspected the property when I could find it, but it was difficult to identify individual parcels out on a bare hillside, not even staked out.

Scheuring: Was this land potentially good for almonds?

Coke: No; it wasn't, it isn't yet, it will never be. You have to have a little soil before you can grow trees, and there wasn't any soil on much of the acreage. In addition, it's a cold area, especially at the bottom of ravines. On the east side of the Salinas valley near Atascadero and Paso Robles rainfall is very, very low. That adds to the problem of production. On the west side of the valley rainfall is much higher and good crops are produced.

Grain Growing Projects

Scheuring: As assistant farm adviser, you were an agronomist . . .

Coke: Not really. I knew some more about field crops than other agriculture but my knowledge was pretty limited. There had been some work done on the development of varieties of wheat, oats and barley. As a farm advisor, I became interested in these grain varieties. W. W. Mackie, a member of the university agronomy division, had developed what he called the rod-row test. That called for planting a certain amount of wheat, for instance, in rows a rod long and eight feet apart; the rows were replicated in the plot eight times, which made possible the determining statistically of the significance of the resultant yields. These tests were conducted in many parts of the state, and resulted in changing some of the varieties used in commercial production.

Another development was the Grain Growers' Department of the county Farm Bureau. One of the fellows in it, by the name of Jack Botts, one day said, "Why do we have to take our seed wheat into town and have it treated there with copper carbonate and cleaned; why can't we do something so that growers can have that done on the ranch?" So, Jack Botts, George White, the Lin Brothers, and Jake Tuley (this was the grain department) borrowed one thousand dollars from a bank to purchase a truck. We also got some help from the United States Department of Agriculture, Mr. E. N. Bates, and a Calkins grain treater to treat wheat with copper carbonate for smut control; you put the dust in with the grain and the machine revolved around so that the grain got a thorough covering of the copper carbonate. We bought these machines and bought ourselves an old truck and put the cleaner-treater on this truck with elevators to lift the grain up.

I took over the management of the operation. We hired a man to operate it, and he'd go from ranch to ranch and clean and treat the grain for the farmer. Thus it was unnecessary to move

Coke: the seed from the ranch to the city cleaner, and the job we did was complete and thorough. Copper carbonate had been used earlier but had been put in the drill box and this did not cover the seed adequately, so smut continued to appear. There was a lot of smut in the wheat in San Luis Obispo County at that time.

Scheuring: Smut was a serious problem?

Coke: Yes, because it reduced the milling quality of the wheat. In addition barley was mixed in with the wheat, which again reduced the milling quality because the mills had to take the barley out. Our cleaner also removed the barley from the wheat seed. By taking the barley out of the wheat, and by eliminating smut, you upgraded the grain in that area terrifically.

Scheuring: The machinery was owned by the Farm Bureau and then rented out to the individual farmer?

Coke: We hired a man to run the machine. It really worked. Farmers thought that this was the greatest thing that had happened to them because it worked--and cost less than other methods.

In 1927 the grain department of the San Luis Obispo Farm Bureau put on a program at Paso Robles at which the results of the variety tests and other field work were explained, and a demonstration was given of the grain treating and cleaning equipment. Professor Crocheron attended and spoke at this meeting. It was the first of its kind in the state and may have been instrumental in my being selected as Extension's first agronomy specialist.

Septic Tanks and Other Subjects

Coke: Another of the projects which I helped carry on in San Luis Obispo involved construction of septic tanks on the farms. Ranch septic tanks became feasible due to running water becoming available in the home. The Farm Bureau gave us money to buy lumber to build forms. Jim Fairbank, who was then a specialist in agricultural engineering--and one of the most capable, cooperative, understanding men I have ever worked with--developed the portable form used in building the septic tanks. We would schedule a demonstration meeting at which Jim would explain and show those in attendance how to build and connect the septic tank. We put on a lot of these demonstrations, and there were lots of septic tanks built.

Coke: We had one out of Paso Robles one time that I remember especially well. We usually asked those attending to help mix cement and so on. Usually they'd pitch in and we'd get the job done in a hurry, but this day nobody helped. Jim and I were working like beavers trying to get that job done, and we didn't discover until after we had finished that the official temperature for Paso Robles that day was 116 degrees (laughter).

Scheuring: No wonder nobody helped you! What was this project like? Would you actually dig the hole?

Coke: We'd get the farmer to dig the hole, and then we would put the forms in the pit, and mix and pour the concrete around the forms.

Scheuring: Was this a brand new thing for some of these farms?

Coke: Oh, I'll say it was! And it meant that the families no longer had to use outhouses.

Scheuring: And you got the design for the system and so on through Extension?

Coke: Yes.

Scheuring: What was the charge then for the farmer?

Coke: Nothing. This was all free. All he had to do was to buy the concrete and the tile and drain. It was one of the things that Extension did to make life more pleasant and comfortable in the country. Extension work wasn't all aimed at making money, it also tried to improve a way of life.

Scheuring: Were there other projects of that nature that you took part in also?

Coke: I can't think of any others now, but I suspect there were. Of course, home demonstration agents had many projects to improve home living. The gals had cooking demonstrations and sewing, reupholstering, things of that kind.

Scheuring: You were supposed to have been a poultry specialist as an assistant farm advisor; how did that turn out?

Coke: Well, I learned to do two things: one, post a sick chicken--a dead chicken.

Scheuring: What's posting?

Coke: Opening the chicken to determine, if possible, why it was sick.

Coke: I could open the intestines and discover worms and tell the owner that the chicken had worms. There wasn't much you could do about worms then (laughter).

Scheuring: Didn't you have treatments for that?

Coke: Yes, there were treatments. But worms were a major problem with poultry.

The other thing I did was culling demonstrations. I conducted many culling demonstrations, in which you remove the hens that are not producing, and you sell those off so that you're not feeding the non-producers.

My confidence was shaken in my ability to cull one time. It was a small flock and I decided that I would like to buy the culled hens, so that I could take them home and we'd use them as a source of cheap meat. I bought the hens, and I took them home, but I didn't kill them immediately--and then they started to lay (laughter).

Scheuring: You must have treated them right.

Coke: Yes, either that or I culled them wrong, I'm not quite sure which. But I think it was the fact that they had more room, and were fed a little better, that they started to lay eggs rather than getting the pot.

Scheuring: Was there much of a poultry industry in the area at that time?

Coke: Oh yes. This was part of the attempt to solve the problems of Atascadero and Paso Robles. People could get into poultry without too much investment, and there was a possibility that they could make some money at that. Some people were able to weather the storm with poultry.

Scheuring: Did chickens do well in that quite hot climate?

Coke: Yes, they did all right. They can survive hot weather, especially if there are lathe coverings over them so that they're not in the direct sun, and if they have plenty of water.

Scheuring: The poultry industry was mainly for the eggs, or for the eggs and the chickens?

Coke: Almost entirely for the eggs. The chickens were a by-product; that's the reason I got my culled chickens cheap.

Scheuring: And then got eggs besides (laughter)! Jim Fairbank, whom you

Scheuring: mentioned, came down from Berkeley to help you at times, is that right?

Coke: Yes. Jim traveled all over the state, and he did many things. He worked with me, for instance, when I was an agronomy specialist, on a statewide program to put out tests to treat barley for stripe disease. Why Jim got involved in that, I don't know; there was a machine that we had to use. But he was not a lazy man at all.

Scheuring: Did you have much contact with Berkeley during these days as assistant farm advisor?

Coke: No, not too much. Aside from the few specialists such as Fairbank, [Wilson] Newlon in poultry, [G. E.] Gordon in dairy, [Wallace] Sullivan, Arthur Shultis and [Burt] Burlingame in farm management, our contacts were pretty limited. The assistant state leader came down, but he wouldn't spend time with the assistant farm advisor. He made "duty calls" on the farm advisor. We assistants (I wasn't the only one), felt like we were quite out of it.

Scheuring: So the kinds of projects you worked on were pretty much innovative; they were your own ideas.

Coke: That's right, I thought I did things without much assistance or encouragement until they were successful, and then they were encouraged. That's youth for you.

Scheuring: And so it was really your own innovations that brought you to the attention again of B. H. Crocheron?

Coke: Yes, at least that's what I thought.

III. AGRONOMY SPECIALIST, 1928-34

Scheuring: You made a real skip from assistant farm advisor to specialist without going through the farm advisor step. How did you feel about that?

Coke: I was honored and pleased. This was the first agronomy specialist position in the California Extension Service, and it was a real pioneer job for me because nobody had laid out the work of an agronomy specialist. As a specialist I did a great deal of traveling, and was overly ambitious--more so than was good for my family. If I had it to do over, I would not try to change the world in a few days--or years, or ever.

Scheuring: You had, by this time, children?

Coke: Yes, we had two sons, James Earl and Thomas Richard. We also had a daughter who became ill after about a year of age. She died at age six.

Scheuring: What was her medical problem?

Coke: We're not sure; we had specialists in San Francisco and Los Angeles examine her. Apparently it was brain damage at birth. This, of course, was very hard on my wife. I put in about thirty thousand miles a year on travel, which meant I wasn't home very much.

I worked out of the Berkeley offices of the Extension Service in Giannini Hall. I had a pass on the Southern Pacific, Northwestern Pacific, and on the Santa Fe.

These passes were an indication of the interest the railroad took in California agriculture. They did much to support its growth. They did go out of their way to be helpful to agriculture and its advancement. They put on demonstration trains--I was never on one, but they would provide a dining car, pullman, and then cars for agricultural demonstrations. People would come there and see

Coke: what was going on. The trains traveled up and down the state with these demonstrations; I think the last one was run probably around 1928 or 1930. The railroads have done a great deal to advance agriculture in the state of California. About all the credit they get is none; it's mostly we criticize them, but they've been very effective in what they have contributed.

Scheuring: What kinds of problems were you engaged in as a specialist?

Coke: Disease control, bulk handling of grain . . . and then we were doing work with the varieties of barley, testing them out for brewing purposes. We had a big market for California barley in Europe, particularly England. They liked our quality, and we were trying to maintain or improve the quality of barley through varieties that we were developing, so I worked with the brewers on testing out the varieties we had to see whether we had really good brewing varieties or not.

Rod-row Grain Tests

Our first statewide project was the rod-row testing of grain varieties. These were established through the farm advisors in various parts of California.

Scheuring: What grains were involved?

Coke: We tested wheat, oats, and barley varieties, first in rod-rows and then in large field tests. Of course, we were interested not only in yields but in quality--milling quality for wheat and brewing quality for barley.

Scheuring: Were these variety tests conducted throughout the state?

Coke: Yes, wherever we had farm advisors.

Scheuring: How did you go about conducting the field trials?

Coke: The farm advisors secured the cooperation of farmers who set aside a small plot on which we planted the grain. The rows were replicated eight times in a given plot. When harvested, the yield from each row was kept separate, and sent in bags to the agronomy division at Davis for thrashing, cleaning, and weighing. So we had some pretty good data.

Scheuring: Did the farmer do the actual work under supervision, or did you and your field men do it?

Coke: There was no set pattern. Usually we had good cooperation from the farmer and the farm advisor.

I think this is a good point to talk about the agronomy division of the College of Agriculture. While the Extension specialist in agronomy headed the project, it would not have worked without the full cooperation of the agronomy division, Professor Ben Madson, head of the division, Dr. Fred Briggs, who later became Dean of Agriculture at Davis, and Dr. Gus Wiebe who was a USDA appointee and later became head of all barley research for USDA. They really made the project effective; it was a team effort.

There wasn't much at that time in the way of research results that could be used by farmers in the state who were producing grain. Sure, we could control wheat smut, we had means of controlling stripe disease in barley, and ran demonstrations on that, and that was pretty well in hand, but there wasn't a great deal of breeding stuff that we could do.

Scheuring: Were you working pretty closely with plant breeders?

Coke: Both Wiebe and Briggs were brilliant geneticists; they were the ones who were developing these varieties. We tested large numbers of varieties in various parts of the state because one variety might show up well in their test blocks at Davis, but do poorly in the Imperial Valley.

The Cal-Approved Seed Program

Scheuring: Was this the beginning of what's called the Cal-Approved Seed Program?

Coke: In a way, yes. It was the Briggs-Wiebe-Coke team that designed and implemented the Cal-Approved program.

Soon after I became agronomy specialist, Professor Crocheron sent me to the Midwest to study the certified seed programs in those states. We felt the need of a program that would insure the availability of pure seed, but the certified seed programs in the various states were complicated, expensive, and seemed to us more bureaucratic than they should be. Rather than having a heavily structured organization, we believed a simple, direct method of getting pure seed produced at minimum cost would be best, so we developed the Cal-Approved Seed Program.

Coke: This program started, of course, with the foundation seed developed by the division. This included not only cereals, but beans, grain sorghum, and sudan grass. We had land that we knew was clean, to plant this. Then we (the Wiebe-Briggs-Coke trio) would see to it that what was grown had been rogued carefully, and that the product was as pure as was possible. Then, if it met our standards, we would seal the bags of seed with metal seals, and it could be sold as Cal-Approved Seed. It was a very simple, inexpensive program that was quite effective.

It is interesting that the University would not patent or copyright the name, so we went to the Farm Bureau to copyright it.

Scheuring: What was the objection of the University?

Coke: I really do not recall, some legal problem. Then, much to my surprise, after I got out of this job and went into the sugar business, some time along there, the Farm Bureau started their own "Cal-Approved Seed Organization" which was a commercial organization, and with no connection to the University. I thought that was not a happy arrangement for what we were trying to do.

Scheuring: You mean it had become a profit-making business for them and you had not intended it to be that way.

Coke: Right, we had not intended that.

Other Projects as an Agronomist

Scheuring: What other kinds of programs were you involved in as a specialist? Was range grass improvement one of them?

Coke: Yes, range grass improvement was part of our activity. It involved controlled grazing, introducing crested wheat grass, and so on. I have to say here that while we did some work at range improvement, we didn't have much success. The introduction of ladino clover was a major innovation. But again, I'm sure that ladino clover would have become an important pasture plant even without an Extension Service. However, we probably hastened its introduction. It became one of the real advances for pasture grasses, particularly in the areas where the soil was shallow and not too good.

Scheuring: Didn't you also work on bulk handling of grain during this period, with Jim Fairbank?

Coke: Yes, with Jim Fairbank, Roy Bainer, and others from the Division of Agricultural Engineering. We attempted to encourage handling grain in bulk rather than in sacks. All grain in California had been handled in sacks for years, since the beginning of the grain industry, and there were many economies to be made by bulk handling. But we were probably a little ahead of our time, because there was very little increase in bulk handling during the time I was Extension agronomist.

Scheuring: Of course this has all come about later on.

Coke: Yes, it's come about because of better mechanical devices both in the harvester and in the handling of the bulk grain.

Scheuring: Who are some of the other people you worked with during this period?

Coke: I have named the two from agronomy, but in the area of bulk handling I worked, of course, with Dr. Harry Walker, who was head of the Division of Agricultural Engineering; Roy Bainer who was on the faculty there; Jim Fairbank who was the Extension specialist in agricultural engineering. I suspect there were others, but at least those were the primary people that we worked with. We worked some with the USDA people on this; they were, as usual, not very effective.

Scheuring: What was the relationship between Extension and USDA?

Coke: It wasn't close, and I don't know that you could generalize in this--at least in the field I've operated in. They did nothing that I knew of that was beneficial except that they had charge of the grain grading offices and that had an important bearing on sales of grain. But they were not really a very effective group.

Scheuring: The state people were much more directly involved in the practical problems.

Coke: Oh yes, very much more.

Extension and the Agricultural Adjustment Administration

Scheuring: When did you first get involved with sugar beets?

Coke: After the passage of the Sugar Act in 1934, Professor Crocheron

Coke: placed me in charge of the sugar program for the state. I had previously been in charge of the wheat and rice acreage and production control program under Triple A--the Agricultural Adjustment Administration. I had to drop all of the other agronomic work.

These programs were highly involved. The Triple A wheat program, for instance: each grower of wheat had to have a contract with the U. S. Secretary of Agriculture in which was specified the number of acres of wheat he could grow. The number of acres constituting his allotment was determined as a percentage of his historical base. The contracts were actually sent back to Washington, D.C. for approval. And here we were in California, where we had to plant earlier in the year than most other parts of the United States. The AAA established the rules as they went along with California. In requiring early discussion, we found ourselves always in trouble. I had to make several trips to Washington to try to get the Triple A people to move these contracts, to give us an answer so that we could go ahead with planting. It was truly a cumbersome job, and for that reason I am very much against the control programs that we have had. I don't think that they really did that much good.

Scheuring: You don't think they were a benefit to the farmer in the long run?

Coke: Not in the long run; in fact, I think they were a detriment to the farmer. In the first place, he couldn't operate his farm like he should; the amount of acreage that he could plant to a particular crop depended upon his allotment. This could be greater or less than would be required for maximum efficiency. He could only use his facilities partially; he had idle land. Sure, he got benefit payments for being in the program, and they helped to give him some cash, but I'm sure that if we had left this thing to basic economics, though there would have been some farmers who would have been seriously hurt, for the most part we would come out of it faster. And we would have not destroyed some of the markets that we had. We really destroyed markets . . .

Scheuring: You're talking about international markets?

Coke: Yes.

Scheuring: Could you say why the Extension was chosen to perform this regulatory function? I would think that the State Department of Agriculture would be more the logical people to do the regulating of the program.

Coke: Yes, you would think so. I'm not sure of all the reasons for that decision. I know that Professor Crocheron and Dean Hutchison very much opposed the program. They fought openly with the USDA, believing it would cause more problems than it solved. But Extension Service was selected because it had the "know-how" to work with farmers and was at last in part under the control of the Secretary of Agriculture while the State Department of Agriculture had no such relationship.

Scheuring: Again, it's strange that the USDA people didn't have charge of the regulatory program of the Triple A Act.

Coke: I am sure that Henry Wallace would have liked it that way. But I guess that he was running into some difficulties because of the enormous amount of control that he was getting as a result of the Triple A program. I suspect that's the reason they used Extension to enforce it. Extension was an acceptable group--more identified with the farmer, and the farm people felt that they were going to have more of a voice in operation of the program.

The Federal Sugar Beet Program

I talked about the grain program; I didn't talk about the sugar beet program. This was probably the most complete socialized operation that has ever come out of Washington, D.C.

Scheuring: Were sugar beets a particular problem on the market at this time?

Coke: Well, sugar was a particular problem totally. During World War I sugar was in very short supply in the United States; at other periods we could draw from the world supply. In 1934 domestic sugar producers were in trouble because of low prices. The Sugar Act of 1934 was designed to stabilize markets and therefore production.

This act set wage rates for field labor, established the acreage each grower should plant, and the amount of sugar each company could sell. All this and more, on the theory we needed to protect the domestic sugar industry in order to have at all times an assured supply. The sugar section of the U.S. Department of Agriculture determined what they estimated would be the total acreage for sugar--both beets and cane--that should be raised in the United States the next year. Then, they allocated this acreage back to the states, and there were state committees set up who supervised allocated acreage to growers. It could have been

Coke: easily done if they'd allocated acreage to processors because, after all, the grower has to have a contract with the processor in order to grow sugar beets or cane--he can't process that product himself. But the growers wouldn't accept that, and I think for good reasons, because they didn't trust the sugar companies.

Scheuring: I gather there was some tension between growers and processors?

Coke: Yes, as there generally is between buyer and seller--at the beginning of the sugar program the tensions were somewhat greater than after the program became operative.

Scheuring: Growers were not permitted to expand their acreage?

Coke: They were not permitted to expand during some of the years; there was a very definite limitation on the amount of acreage, and they had to have a contract with some processor at the same time. This was not usually a problem, although at times it got to be one, because the processors usually were anxious to get all the acreage they could and they would try to get the growers who had acreage allotments to grow for them. Some processors were more successful than others.

It's about this time I got into the sugar business. Having worked on the Triple A sugar program, I got acquainted with the people in the sugar industry. One day I had a call from the president of the Spreckels Sugar Company, C. J. Moroney, and he said, "Earl, are you married to your job?" By this time I was not married to the job; I disliked very much what was going on, because not only did we have to control the amount of acreage a farmer had planted but we checked on compliance, working conditions etc. We had inspectors measure these properties to be sure growers were in compliance. It was a continuous battle. I didn't enjoy the work, so I ultimately joined the Spreckels Sugar Company as general agriculturist.

Observations on Extension

Scheuring: Has Extension since gotten out of that regulatory function?

Coke: Well, they've gotten out of it because the regulatory functions have ceased to exist.

Scheuring: But there was a brief period that Extension was really performing

Scheuring: something other than its traditional role of helping farmers to better themselves.

Coke: That's right. As long as the Triple A program continued, Extension continued to have a hand in regulating it. It's true that in the sugar program, Extension hired special people who handled it, and let the Extension agents go on about their own business.

Scheuring: One question--not quite related, do you think that specialists should have a Ph.D.? I guess most of them do now. Did you, for example, ever consider returning to get a graduate degree?

Coke: I didn't, because at that time that wasn't the thing to do. We used to say that when a man graduated and secured his Bachelor of Science degree he got a job; if he was not good enough to do that, he went back to school for a Master of Science degree, et cetera--but it is different today. Financial assistance in securing a Ph.D. is more available and the necessity for the added training is much greater than it was twenty or thirty years ago.

Scheuring: Do you think that a Ph.D. degree is necessary for a good Extension specialist?

Coke: I do think a Ph.D. degree is desirable, but primarily a specialist should be a person who knows how to work with people. He has to have a good working relationship with the subject matter divisions carrying to them the problems he discovers in his contacts with farm advisors, farm people, and industry. Then he has to be able to carry the results of research back to agriculture.

For example, Dr. Lyle Leach--I thought he was an exceptionally fine researcher. He, of course, had a Ph.D. in pathology, but he was one of the few research people that I knew who could analyze a problem existing in an agricultural industry, and develop and conduct a research program that gave answers. It's too bad they put him in administrative jobs (laughter). But that's what they do with a good research person, and so sometimes they lose the real value of a person with his ability.

Scheuring: Jim Fairbank said something interesting when I was talking with him; he was feeling kind of nostalgic, and he said that he felt the thirties and the forties were the golden age for Extension and agricultural education, and that today perhaps farm advisors and specialists are not really as significant to farm people as they were then. Would you agree with that?

Coke: I'm glad Jim said that, because I believe it thoroughly. I wasn't

Coke: quite sure I was right, but if Jim says it too, whatever he says is always right.

Scheuring: You think today's farm advisor is a bit in decline?

Coke: Yes. Look at the competition he has. When it comes to advice on insecticides, herbicides, nutrition, or what have you, the farmer today can get that from commercial sources where people have to be right because they have their money on the line. So the farmer is not dependent upon the farm advisor for the kind of information that he used to need. The farmer gets around now; if he needs some information, he'll get in his plane and fly up to Davis and talk with the specialist in the subject matter--the division people.

But that was the golden day for Extension because we were making progress.

Comments on Government Programs and Agriculture

Scheuring: Dean Hutchison, in his memoirs, is on record as criticizing certain government programs for their philosophy of trying to help the small farmer, because he felt that small farmers should not be bolstered; he felt the larger, more efficient farmers were the ones who should be running agriculture, and the smaller farmer should just find something else to do if he couldn't make it in the market place. Would you agree with that?

Coke: The basic issue is not size of farm. It is or should be efficiency of production. I see no reason why the public should be taxed either directly or through price supports to maintain a population on marginal, inefficient farms. I was raised on a family farm. It is not all that it's "cracked up" to be.

Scheuring: From the economic point of view, the argument against the small farm is sometimes telling, but I'm wondering from the point of view of people now. You, for example, and many of our really prominent people have come from farm backgrounds. Thomas Jefferson and others have said that our best citizens generally are independent people who perhaps have some small farm background.

Coke: Well, that's good rhetoric. But the reason so many people came from farm backgrounds was because 85 percent of the people were engaged in agriculture a generation or so ago, and so there were no other backgrounds to come from! Sure, I've heard all the arguments that we should keep the family farm because it is the backbone of the country, but I don't believe it.

Scheuring: Let's go back to the Triple A program, or one of these other regulatory programs during the thirties, during the depression. Your reactions to these were generally pretty negative?

Coke: Yes, in the first place, they were too cumbersome, and it resulted in great inefficiencies in production and marketing. It was a political solution to an economic problem. It saved the neck of some farmers, but primarily the farmers on poor land, or the farmers who did not operate very effectively. And that was a detriment not only to agriculture, but to the consumer.

At this same time there was increasing support for research at the Experiment Stations of the land grant colleges throughout the United States. It was the application of these research findings on the farms, through the assistance of the Agricultural Extension Service, that really made the difference in the agriculture of the United States.

There's been some criticism of using public funds to support agricultural research and Extension. My thesis is that agricultural research is of primary benefit to the public and only secondarily to agriculture. Because the public is the primary beneficiary, then it follows that public support of agricultural research is legitimate. Even today, there is talk of cutting out tax-supported agricultural research because it benefits the farmer and he should pay for it. That's a lot of hogwash! If we were really wise, we would be putting money into research! Look at what we have done in feeding the world. We would not have been able to do that, had we not had the basic research that the land grant colleges carried on. We're using up the backlog of research findings, and we had better start working on new things pretty quick. Otherwise, we could soon be in a deficit position on food supplies.

Four-year-old Earl standing between his two brothers and his parents at the Pasadena Sanitary Dairy, 1904.

Austin Armer, Earl Coke, Hugh Melvin, and C.J. Moroney inspecting the new mechanical sugar beet harvester developed by the Blackwelder Machinery Company of Rio Vista with the assistance of the Division of Agricultural Engineering, UC Davis, about 1940.

IV. SPRECKELS SUGAR COMPANY, 1935-1949

Scheuring: How did you begin at Spreckels Sugar?

Coke: Spreckels was contemplating the erection of another processing plant in California; they had two, one at Spreckels, California, near Salinas, and another at Manteca. C. J. Moroney, president of Spreckels, gave me the assignment of determining the location for a new plant. I came up with a study that showed within California the best location--all things considered--was near Woodland. They built the plant there, and it has proven to be a good location--whether it was the best or not, nobody will ever know.

Scheuring: What were the bases for the decision on Woodland?

Coke: The decision was based on the potential supply of sugar beets over a twenty-year period. Water supply, sewage disposal, railway facilities for shipping, and all those things had to be considered, but the major consideration was a dependable supply of beets.

With the three plants that Spreckels had, as general agriculturist one of my responsibilities was to see that those plants had nine thousand tons of sugar beets per day to slice during what we called the "campaign."

Scheuring: This is about a six month period, isn't it, that the harvest goes?

Coke: It's a little less than that.

Sugar Beet Production and Problems

Scheuring: Is it quite tricky to coordinate the harvesting with the processing?

Coke: Very tricky, because if you get too many beets at the plant or in storage, they lose sugar very rapidly. You can lose a pound of sugar per ton per day in hot weather if they're just sitting there. And of course too few beets mean high costs of production.

Scheuring: So the aim is to harvest them and get them to the factory and process them within twenty-four hours?

Coke: Immediately, that's right. Shortage of labor to harvest and load the beets; or shortage of railroad cars in which to ship the beets, or a strike, or rain--many problems arise daily to make it difficult to supply the factories. It was a continuous battle between the management of Spreckels and the elements to try to keep a factory going without oversupply. It became easier in the fall because when the weather got cooler we could store beets, and that then would take us over a rainy period or a field labor holiday, something like that.

Scheuring: In cooler weather beets would not tend to lose so much sugar?

Coke: That's right; it's a question of temperature. If you had beets in storage in the fall when the night temperatures go down to twenty or twenty-five degrees, then the sugar loss would be much less.

Scheuring: When did you begin at Spreckels, was it 1935?

Coke: Yes, it was 1935.

Scheuring: The new Woodland plant was then completed in 1937?

Coke: Yes.

Scheuring: Were you in on the planning of the plant itself?

Coke: Not the mechanical part; they employed outside engineers for the major part of the construction.

Scheuring: What projects were you then involved with in the sugar beet industry? What kinds of things did you help develop?

Coke: A major problem in the western states--which almost wiped out the sugar beet industry--was a virus disease called curly top. The curly top virus was carried by the beet leaf hopper. It had a peculiar life cycle. It overwintered (I'm talking about California now) in the hills on the west side of the San Joaquin valley. In the spring the hoppers multiplied and then would fly up and get caught in wind currents that carried them to various parts of

Coke: California. The hoppers landed where the wind current dropped them, and would feed on various crops, including sugar beets. They carried in their system a virus which caused sugar beets, tomatoes, beans, etc., to turn yellow and stop growing. I have seen crops of sugar beets that have looked lovely today, looked like they were really going, and in a day or two they just wilted down to almost nothing. This was a major problem.

Well, two things happened; one is that we tried (when I say "we," this is the sugar companies, not the growers--the sugar companies put up money to try to control the number of beet leaf hoppers) to go into the San Joaquin Valley in the winter time where these beet leaf hoppers were overwintering, and spray them--kill them off--try to reduce the numbers. This was partially effective.

At the same time the USDA started research work to develop resistant varieties of beets. Dr. Eubanks Carsner and Dr. Owens did a magnificent job. They developed varieties that were resistant to the virus of the curly top. Prior to this development all beet seed had been imported from Germany and Poland. To reproduce these resistant varieties, it became necessary for us to grow our own seed. Then the industry started coming back.

It was about that time that I joined Spreckels because we didn't have to worry about a complete wipe-out of the crop as a result of curly top. We formed, for the western part of the country, a company called West Coast Beet Seed Company.

Scheuring: There were several sugar companies involved?

Coke: Yes, there were several. All of the California companies and some from other states were involved. Spreckels was the largest company in the group dependent on this seed production and much of the leadership in getting into this seed production business fell on us.

A sugar beet has a peculiar life cycle in that it produces seed the second year; it has to go through a winter with low temperatures in order for it to "bolt" or produce seed. We had to find places where it would do that, and as we developed more resistant varieties, we had to find different places. We first started out growing our seed in the Hemet area of Southern California, not because it was so cold there, we didn't have the resistant varieties at that time, but we were producing our own seed. Then we moved our major operations to Oregon.

Scheuring: What part of Oregon?

Coke: In the Willamette Valley. And they still produce most of their seeds in that valley;

The other problem that we had involved field labor. Part of the problem resulted because a beet seed naturally is a multiple germ seed. When it germinated, several plants emerged. One beet every 6 to 10 inches was the goal--therefore, all planting required thinning. Dr. Roy Bainer at UC Davis developed a means of breaking up the seed so that it was possible to plant a single germ seed. Later they developed (and this was after my day with the beet industry) a beet seed that was genetically a single germ.

All of the thinning, however, during my time, was done by hand with a short-handled hoe. Harvesting was also done by hand--the beets were first loosened in the ground by a special plow and then the workers would come along and cut the tops off of the beets, throw them into a wagon or truck, and take them to the factory. Mechanical harvesting was later developed and today all beets in California are harvested that way.

Farm Labor and the Mexican National Program

Scheuring: Traditionally, where had these farm workers come from?

Coke: We had, early, many Filipinos here; then the Filipinos died off and they were not replaced, and so it was Mexicans, most of whom came in from Mexico during the planting and harvest season. They lived in labor camps that were run largely by contractors. The contractors would arrange with these crews, and they'd come back and work year after year, and the individual contractor then would contract with the grower to thin or harvest his crop.

Scheuring: Were there some kind of government regulations governing this at that time?

Coke: Yes. There were regulations regarding housing, pay, insurance, withholding of pay, etc.

During World War II, when they put the Japanese in relocation camps, there was a great shortage of field labor. We just couldn't get the labor to harvest the crops.

Scheuring: I would imagine those were sort of cliff-hanger years for the growers.

Coke: Yes, and processors. The processors were the ones who had developed this seed. The processors were the ones who got this labor that I'm going to tell you about. The growers have sat back and taken a free ride--they did a beautiful job of criticizing, but I think we overcame much of that before we got through, we worked on that one too!

I worked with the Farm Security Administration and the Army to get permission to use the Japanese, from the camps, under military control, in the fields. We were really desperate; but we couldn't budge them. They apparently were afraid mainly of what would happen to the Japanese.

Feelings were running so high at that time, in California, against the Japanese, that they were afraid the domestic people would do some damage. Even before Pearl Harbor Japanese were generally disliked by farmers in California. They were outbidding the caucasian farmers for the best land.

Scheuring: Japanese workers were employed, though, elsewhere in the nation as farm laborers.

Coke: Yes, that's right; they let them work in Colorado and elsewhere, but they wouldn't let them work in California.

Scheuring: Feelings were higher in California than elsewhere?

Coke: Apparently, that's what they thought. So, I next went to the Farm Security Administration to see if we could contract for the use of Mexican nationals. After much negotiating the Army appointed General Burton (then a colonel), to work with the Mexican government for a contract for permitting us to introduce Mexican nationals under very stringent contractual arrangement. We, in the beet industry in California, then set up a special corporation to deal with the two governments. I became the general manager of that, and we brought in many trainloads of Mexican workers.

Scheuring: Were these workers for more than just the sugar beet industry?

Coke: At first, only for the sugar beet industry; but we were highly criticized by some of the other industries in California for having agreed to contract. The contract covered recruiting, transportation, medical care, housing, wages and supervision. The Mexican government provided inspectors, which helped us very much. Incidentally, the contract was signed not by growers, but by processors.

Scheuring: I wondered why the necessity of setting up a separate corporation to . . .

Coke: Just for legal reasons, so only one entity was required to negotiate with the government. It became a separate corporation involving all of the beet processors in California.

I can well remember the day that the first trainload came. It arrived at Stockton just before noon with 450 workers. We were supposed to have had something to say about the recruiting program, and I guess we did to a certain extent, at least we had a representative down there.

Scheuring: Who was your representative?

Coke: C. L. Pioda; he was the manager of the Salinas area of our company. What we got on that first train were very few farm workers. Most of them were taxi drivers, and anything but farm workers--but they did a pretty good job. It was better than nothing, anyway.

I think the Mexican national program, under contract was one of the most successful international programs that has ever been developed. Most workers were able to send and take money home to help improve themselves. This program did much to improve the agricultural areas of Mexico. It was a great loss when Secretary of Labor Wirtz called a halt to the whole program in the sixties.

Scheuring: So, 1942 was the date of the establishment of the whole bracero program, starting with the sugar beet industry; and how long did this go on?

Coke: I believe it was eliminated in 1947. Many other industries got into it, and they set up these farm labor organizations in California that would contract with the government for Mexican nationals, so it wasn't just the beet industry.

Scheuring: Why was the bracero program continued after the war?

Coke: In the sugar beet industry we still needed labor for thinning. The local labor did not like to thin. We tried to bring labor in from the southern states and the colored people just can't bend over that far.

Scheuring: What about the objection that the reason the bracero program continued was because these Mexican laborers worked for less money than American laborers?

Coke: That's not valid, because the rate that we paid was established by the federal government. We had to pay as much for the Mexican nationals as we would for domestic workers. In fact, we paid a

Coke: little bit more because of all the benefits that were required--and the transportation back and forth from Mexico. We even had some medical benefits, as I recall now.

Scheuring: So the program didn't undercut domestic workers from the point of view of wages?

Coke: No, the unions are simply against any kind of importation of labor. Actually, when the program folded, it was a greater loss for the Mexicans than for this country. The Mexicans who came up here could in a few weeks earn more money than they could in a year at home, and they could go back and buy themselves a tractor or do something to improve themselves. From the standpoint of international relations and international good will, the Mexican National Program--the bracero program--was one of the best that has ever been in existence. The Department of Labor did a disservice to the Mexican people by elimination of the bracero program.

Scheuring: Generally the labor camps, which have come in for a lot of criticism, have been contractors' camps rather than actually on growers' land.

Coke: That's right.

Scheuring: And the workers have gone from the camp to the farm.

Coke: That's right. The contractor furnished transportation from the camp to the ranch on which the worker was to be employed that day. They would keep spreading these people around--a service that was really necessary in order to make full use of these workers.

Scheuring: The braceros were mostly single men coming up without their families?

Coke: I'm not sure they were single men, but they came up without their families, and we, of course, paid their way back; we held their money for them--whatever they wished to arrange for.

Scheuring: Henry Sevier managed the program, didn't he?

Coke: Yes, after we got underway. He did a great deal to make the program run smoothly. Henry spoke fluent Spanish and was a compassionate person.

Scheuring: Did Spreckels hire Mr. Sevier away from the University Farm?

Coke: Yes, we sure did. That was good for us, and I hope it was good for Henry.

The Spreckels Bulletin and Grower-Processor Relations

Scheuring: I understand that you introduced the bulletin for the Spreckels Company.

Coke: Yes. As I've indicated before, there were bad feelings between some growers and processors.

Scheuring: Why was that?

Coke: Well, it's a relationship between a buyer and a seller. Everybody thinks somebody's beating them out of something.

Scheuring: The grower, perhaps, felt (as I know he has sometimes in the tomato industry, which I'm more familiar with) that he didn't really have very much bargaining power with the processing companies.

Coke: That's right, and he didn't, so the growers formed an organization, the California Beet Growers Association. Gordon Lyons was the manager or executive vice president, I'm not quite sure which.

Scheuring: Was this formed before you went to Spreckels?

Coke: No, it was formed after I went with Spreckels. I encouraged the formation of the association. It gave the company a means of communicating with growers. Fortunately for Spreckels and the growers, Gordon Lyons was an effective association manager. Up to that time there was really no leadership in trying to develop relationships with growers; the growers either took the contract, or if they didn't like it, they grew something else.

Scheuring: What was the process of signing growers to contracts? Did the field men go out at a specific time of year with the contract and say, "Here it is," and there was no negotiation, the growers either signed it or they didn't?

Coke: We discussed and at times negotiated with the growers' association as to various contract provisions, after which the contracts were submitted to growers for signing and designating the acreage they would plant.

Scheuring: Didn't you institute quite a training program for field men?

Coke: We sure did. Soon after I joined the company it became necessary to add to the agricultural staff. This was necessary because of increased acreage contracted, domestic production of the beet

Coke: seed, and efforts to mechanize the harvest and thinning of beets, as well as to increase yield through better irrigation and fertilizing.

Scheuring: Did you hire the field men yourself?

Coke: Yes, Mr. Moroney gave me a free hand. We had training sessions for the field staff. At that time there were few people competent to instruct our field men and therefore our training became a "self taught" operation.

The manager of the Beet Growers Association, Gordon Lyons, had annual meetings for grower members in local districts. We were always invited to these meetings and usually did attend. We participated in them, and we did everything we could to develop good working relation with the growers.

Incidentally, I'd like to mention one of the things that happened when I left Extension to go to Spreckels. Professor Crocheron tried to persuade me not to go. He said, "You will be dealing with people lacking any real interest in the farmer--their concern is only for the profit they can get." He did not trust business concerns to do anything but make a quick profit.

Scheuring: He thought business or commercial interests were short sighted?

Coke: He did. This was his philosophy. I didn't believe it, because I, as an Extension agronomist, fortunately had had an opportunity to deal with agribusiness people. May I say right now that I have worked for two major corporations, and in neither have I ever been asked or suggested or pressured to do anything that I would consider improper or illegal. It is too bad that Crocheron had this attitude because it colored many things that he did and was a real handicap to the Extension Service. We at Spreckels tried to do everything we could to build trust between grower and processor; we put out this sugar beet bulletin . . .

Scheuring: That was an attempt at public relations first of all?

Coke: Public relations and education. The bulletin went to "our" growers and described what was going on, what was happening affecting them in the Spreckels Sugar Company and the beet industry.

Scheuring: The bulletin developed into quite a sophisticated technical publication, didn't it?

Coke: It did. I was editor of it for the start, as you probably saw, and Nada Beckett, my secretary for the fourteen years I was there, kept it going. Then Austin Armer became the editor, and he also

Coke: did a magnificent job. I think that the Spreckels Sugar Beet Bulletin served a real purpose.

Scheuring: Was it distributed to anybody else besides the growers?

Coke: Yes, anybody who wanted it.

Scheuring: They just had to request it?

Coke: Yes. We had another distribution that you probably haven't run across, and that was the Krick Weather Service. Dr. Irving Krick was a meteorologist from Cal Tech and he started his own private forecasting service that predicted weather for thirty days in advance. It was very important to us in the beet industry to be able to anticipate wet weather by a few days. It was especially important to have this information during our harvest period.

Scheuring: Was Mr. Krick fairly accurate?

Coke: He supplied us information on a daily basis but in addition he published a printed monthly forecast which for a fee he sent to our growers. So we subscribed to the monthly bulletin. But when you start trying to analyze predictions, you're in trouble. If you really want them to sound good, you can fudge a little here and give a little there, and it will be a good prediction. It didn't really work, and it turned out to be little or no help to us. But when we decided to stop sending it to our growers, they objected. When we told them we were cancelling because the forecasts were inaccurate, they said, "Yes, we know, but we don't have anything else," (laughter) and so we continued to send them the Krick Weather Service. At least it was a conversation point.

Developments in Sugar Beet Production

We had many problems with diseases in sugar beets. After we solved the curly top problem, we had Sclerotium raltii that was a fungus that worked on the roots. Here's where Lyle Leach came in and did some research work. We learned to live with it--we never controlled it.

Scheuring: What about damping-off disease; was that quite serious?

Coke: Damping-off disease killed seedlings, but again Lyle and his staff were most helpful in the method of seed treatments.

Scheuring: Was Dr. Leach ever employed by the company?

Coke: No, he went to England and worked over there helping them at one time, but on a consulting basis. I don't know whether we ever offered him a job or not because we were afraid to lose his real value. When you have people like Roy Bainer and Jim Fairbank and Lyle Leach, who are really performers, you don't want to shake them too far because you want to keep them in a place where they are able to perform--as they did, outstandingly.

Scheuring: Irrigation must have been coming under extensive investigation at that time?

Coke: Yes. When I first went with Spreckels, Mr. Sam Miller, who was the manager of the Sacramento district, told me when I proposed to him that we do some research work on irrigation, "Just forget it--we tried that fifty years ago, and it didn't work." There was, in the Spreckels grower's contract at that time, a clause which prohibited irrigation beyond a date in July. As a result, they were harvesting sugar beets that were partially grown; by the time you got to harvest, the ground had dried out so much that sugar beet would rattle around in a little hole. Yields were low--sugar percentage was high, of course, because you had a bunch of desiccated sugar beets. By carrying on research work on irrigation, and by using soil tubes and other methods of finding what our water supply was in the soil, it was possible to greatly increase the production of sugar per acre. Sugar production went up from a few hundred pounds per acre to six tons, in some cases.

Then we had, of course, fertilizer experiments; we found big increases as a result of using nitrogenous fertilizers coupled with maintaining an adequate supply of soil moisture. All of these things changed the whole complexion of the beet industry to one that is generally prosperous.

Scheuring: Did the industry give grant money to the University for research in these areas?

Coke: Yes, we did it on specific projects. For mechanical harvesting, the U.S. Beet Sugar Association gave $300,000 to the agricultural engineering department at UC Davis, for research in mechanical harvesting.

If I may divert, I'll tell a little story about how that came to the Division of Agricultural Engineering in Davis. The U.S. Beet Sugar Association is a national association in which you have sugar beet companies from Michigan, Ohio, and Colorado, as well as California. I was on the allocations committee to

Coke: select the place where the research was to be done. The committee met out here in Davis, California. I had arranged with the Davis Division of Agricultural Engineering to put on a demonstration of a walnut cracker they had invented, because it showed such brilliance. The development of this nutcracker was so unique that I figured if we showed it to the committee that for sure they would select the people at Davis to do the research work on mechanical harvesting.

The machine conveyed walnuts individually on a belt over a saw that cut a groove in the shell. The nut then passed over a jet of gas, and then over a flame. The gas in the nut exploded and it blew the shell off. It sounded like a machine gun. The demonstration convinced the committee of the ingenuity of the Davis department and they got the money. I must say that the walnut machine never commercially worked. First, because they had some patent problems, and second, they couldn't get enough volume through this machine. But it was clever, and I'm sure that was the selling point of getting the U.S. Beet Sugar Association to put $300,000 into the Division of Agricultural Engineering for the research work on mechanical harvesting.

Well, the division did not come up with the mechanical harvester; they did a lot of basic work, and they did come up with mechanical harvesters, but the mechanical harvester put into commercial use was developed by the Blackwelder Iron Works at Rio Vista. Blackwelder had advice and counsel with the Division of Agricultural Engineering, but the actual machine that we now use was a result of the work of this small farm shop in Rio Vista. Of course it changed the whole aspect of sugar beet growing in California and the West.

Scheuring: I would imagine the big push for mechanization was due to the labor situation during the war.

Coke: That's right. We had to have something. This wasn't a matter of choice; we either got mechanical harvesting or we were out of business.

Scheuring: About what was the year that mechanization was fairly complete in the industry? Right after the war?

Coke: It was later than that because it was very hard to get equipment; I'd say about two years after the war.

Scheuring: But the Blackwelder machine was operating in 1945-1946, something like that?

Coke: Yes, that's right.

Scheuring: You mentioned once that the growers were being pushed toward mechanization by the company. Did they really prefer hand labor or were they just slow to make the change?

Coke: They preferred hand labor.

Scheuring: Why?

Coke: We're talking of various things. They were not hard to change toward mechanization of the harvest because that was the kind of job that was "killing" the labor, but when it came to thinning, they felt that the irregularity of the mechanical thinners was such that they would not get the kinds of yields possible with the very regular thinning done by hand.

Scheuring: There was more precision in the hand thinning?

Coke: At first. But planting and thinning devices with more precision were developed. And the single germ seed helped. But even then some growers did not like to see a machine go down the row and cut regardless of what the beet plants were. Still, all the research evidence indicated that they were better off, from the standpoint of yields and returns, with mechanical thinning.

Scheuring: Were these machines--thinning machines--rented from the company, or were they owned by the individual growers?

Coke: They were mostly owned by the individual growers. All through the history of Spreckels, we owned a certain amount of machinery and that equipment would be rented out, but not to any great extent. There were some very sophisticated thinners that were developed (although most of them had proven not to be effective) such as using electric eyes and things of this kind--so there's been a lot of thought and a lot of money put in on thinners.

Scheuring: I can imagine that if the growers were required to buy very expensive machinery, they must have been, in some cases, reluctant to make that investment.

Coke: Actually the thinner is not expensive machinery; it's kind of a cultivating machine that has knives that cut at particular intervals, and that's it.

Scheuring: The harvester would be the expensive one?

Coke: That's right.

Scheuring: I noticed several other things in the bulletin when I was going through it. There seemed to be quite an interest in developing uses for the by-products from the processing.

Coke: This was one of the problems we had with growers, because they felt that by-products were partly theirs, and therefore they ought to get something for them. We couldn't figure out any way of giving them credit; there were two by-products primarily that were of monetary value. One was the beet pulp. In the early days they ran the beet pulp--that's the chopped-up beet after the sugar had been extracted from it--into big silos and let it sit there and then fed it wet to cattle. It stank like anything. It was an excellent feed but a very undesirable product because of the odor. It was easy to handle, however, and cheap. So, for the most part, companies would contract with some cattle outfit that would have their corrals right next to the silo, and they'd haul the stuff by donkey engines out and spread it in mangers for the cattle. It was a good product; but then, because of the objections of people to the odor and also because of regular returns, they started drying the beet pulp. The amount of loss in a wet silo product was very great.

Scheuring: Would there be a problem of fermentation?

Coke: Yes, a problem of fermentation. So it was dried and sacked. It was still good feed.

Scheuring: But it no longer had an odor.

Coke: It had no undesirable odor. We put molasses on most of it before drying, some that might be discarded at the factory.

Scheuring: So dried pulp became a rather profitable side industry?

Coke: Yes, that's right.

Scheuring: What about the use of factory lime in irrigation ditches?

Coke: It wasn't too important. We'd put the lime in ponds and let it settle out, and then growers could buy this lime and spread it on the land. In some places it was good for the land, in others it wasn't; it wasn't much of a factor.

Another by-product was the monosodium glutamate under the trade name of "Accent" and others. Monosodium glutamate was first developed by the people in China, I think, who made it out of gluten in wheat. Then, International Minerals found that they could get it out of what they call "steffans waste," which is a by-product of beet sugar manufacturing.

Scheuring: It would be interesting to know how someone discovered that, if it was an accident, or what?

Coke: I don't know. Spreckels would concentrate this steffans waste, and then ship it to the plant of International Minerals at San Jose, and they extracted monosodium glutamate.

Scheuring: Did sugar rationing during the war affect the industry particularly?

Coke: I don't quite know how to answer that. We were under strict controls as to how much we could produce, but I think that it did not affect us because we could sell everything that we were allowed to produce.

People at Spreckels

Scheuring: Did you believe that the company should have its own agricultural engineering department?

Coke: Yes, we hired Austin Armer to help develop the mechanization of various operations. He proved to be especially good at editing the Spreckels Sugar Beet Bulletin.

In the process of developing people and hiring people I was especially fortunate in the selection of a man who is now president of Spreckels, Guy Manuel. Guy was a student at University of California at Berkeley, majoring in agricultural economics, therefore a student of Ed Voorhies. He told me how outstanding Guy was and suggested I talk with him.

Scheuring: You hired him as a field man?

Coke: Yes, Guy went through the "chairs" as a field man, district manager, and then when I left Spreckels, Moroney put Guy in my place as general agriculturalist. So Guy is now president of Spreckels Sugar Company and doing a good job.

There are quite a number of people in Spreckels whom I hired. Young fellows that had something on the ball were given the opportunity of expressing themselves and doing a job. I thought we had a very fine group of young fellows working together.

Scheuring: What was your philosophy as far as trying to develop leadership among your staff, or to develop any initiative?

Coke: It was to give them responsibility--as much as they could handle--believe in them. They participated in the meetings that we held

Coke: to talk about various problems, such as contracting problems, research, public and grower relations, etc. We didn't have much to say about pricing. (I had more influence when I became vice president and was a member of the board of directors.)

Scheuring: Austin Armer mentioned to me, among other things, that you had a way of bringing out the very best in your staff people and of encouraging them to continually upgrade their skills.

Coke: It is, of course, pleasing that Austin would say that.

Scheuring: You're a member, and a founding member, of the American Society of Sugar Beet Technology?

Coke: Yes, a founding member.

Scheuring: What was the purpose of that?

Coke: The membership was composed mostly of industry people, and University or USDA research personnel. We discussed the results of research as well as the need for further development of resistant varieties, of fertilization, purity problems in beets, and so on; so it was really a technical society.

Scheuring: What does "purity" refer to?

Coke: Purity refers to the composition of the juice extracted from the beets. Minerals in the juice tie up some of the sugar so that it can't be extracted out of the juice in the normal process. High purity is important as it permits a high rate of sugar return from the process. The final step is the steffans process which by the addition of lime under controlled temperature unlocks the sugar from the minerals; the minerals are what remains in MSG as a by-product.

Scheuring: You didn't work at the purity problem then from the point of view of plant breeding? It was more a technological process?

Coke: Yes, that's right.

Scheuring: I understand that you requested written weekly reports from all your field men, which just about killed some of them (laughter). They didn't like writing, but you were firm that you wanted to know what they were doing.

Coke: That's right, because they were traveling around and meeting people, and I wanted the value of their experiences. So we did require reports. It was nothing elaborate. They could write a paragraph and that suited me, but I just wanted to get a feel of what was going on.

Scheuring: Did you have field men engage in research projects at all?

Coke: Well, they all did a limited amount of field testing. We carried on some research. As a matter of fact, we hired a plant breeder to help us improve varieties as to curly top resistance as well as yield of sugar. It didn't work out very well, and so they changed the whole thing around after I left, which was good. We did a great deal of field testing of fertilization and irrigation practice, and on mechanical thinning. We would have been happy to have had the use of the short-handled hoe outlawed even at that time. We could do the thinning mechanically, and at much less cost. But it was hard to get the growers to accept this change; they wanted to go ahead and do their hand thinning even though it cost them more.

Scheuring: You had field men working with the growers on kind of experimental things on the farm?

Coke: That's right, and the field men really provided a service to the growers. Actually, some growers were successful mainly because they relied on the field men to tell them when and how to carry on their whole operation. But if we could get sugar beets that way and have a happy bunch of growers, that was our job.

Contracting for Acreage

There were times when it seemed almost impossible to get the amount of acreage for growing sugar beets that we needed. We had to use all kinds of devices to get it; sure, price would have helped, but there's a limit as to how far we could go on price because of the economics of the situation. When tomato prices were high or other commodity prices were high, growers would switch crops and we couldn't get the sugar beet acreage. So, we did a number of things. We went to Nevada and tried to get acreage at Lovelock. One Sacramento Valley grower agreed to move his operation (if we financed him); he planted acreage at Lovelock, Nevada, but the gambling bug took him over and we had to harvest the crop. We all lost money on that project.

Scheuring: Boswell was one of the growers in Nevada?

Coke: No, the J. G. Boswell Company is one of the very large land owners of California. The company owns a great deal of land in the Tulare Lake region. I went to Colonel Boswell and tried to contract with him to plant several hundred acres of sugar beets. He said, "I'm not going to sign a contract with you, but if you

Coke: can get the growers to grow for you, that's all right with me. However, I demand a guarantee rental of ten dollars per acre for every acre of sugar beets that they grow on my property." Well, we were so desperate for acreage that we finally agreed that if we could get these growers to grow sugar beets, on a regular contract, that we would give the Colonel ten dollars per acre for every acre of beets grown on the land.

Scheuring: That's a pretty generous allowance, I'd say.

Coke: A hell of a generous allowance. This was, I guess, 1942; it was a year of heavy rains, and the Tulare Lake started to fill up. If you know Tulare Lake, you know that it is a big basin divided up into various large sections with high levees. As the water comes in from the surrounding King River and fills up one section, if it breaks over that levy, it goes into another basin, until finally the lake gets full (if it does).

Our sugar beets were growing in this lake. The contract provided that if the lake overflowed, that we were relieved of our obligation of ten dollars per acre. The levees around basins in which the beets were planted continued to hold for some weeks, but the seepage was awful. Water came in so much that the sugar beets weren't doing anything. They were dead. I went down to see the Colonel and see whether we could negotiate a settlement. He said, "No sir, I want my ten dollars," and that was that. Well, on my way home from that meeting, it was still raining, and I wasn't exactly praying, but I was wishing. I got home, and had a telephone call from my field man in the area, and he said, "Earl, the levy is broken, and your sugar beets are all covered up with water" (laughter).

Scheuring: Saved the day, I guess!

Coke: Saved the day for us. It just shows the desperation which you go to if you try to do a job of running a company. That was real desperation.

Scheuring: Were there periods when the company made loans to growers?

Coke: Oh, yes, we financed growers. We charged slightly more interest than the going bank rate because we did not want to loan money. We didn't want to be in competition with the banks. But we were easier to deal with than some of the banks, and made loans to growers who could not borrow from banks. Having a good field force to supervise production, we could safely finance growers the banks could not. So we had many loans--a considerable amount of money out on loan to these growers. Of course, this was good business

Coke: for us. We were experts at watching the progress of this crop so that we took very few losses as a result of that, but it sure did help us get sugar beets.

Scheuring: You had said that the relationship between growers and the company was sometimes tense during the early years of your association with Spreckels. Did that relationship improve over the years?

Coke: I think it improved very much; of course, Spreckels management worked to improve it. When it came to contracting for acreage in the years when there was more demand by growers to grow beets than there was allotment given to us by the government under the Sugar Act, then we had growers concerned that they were not getting their fair share, even though this was done with a grower committee and on a historical basis. But we got over that pretty well.

We weighed and took samples from each load of beets that growers delivered--weighed them and sampled them, and ran sugar tests. Their grower organization was under the direction of Gordon Lyons, the general secretary of the California Beet Growers Association. We encouraged them to have one of their people check on our method of sampling, and our laboratories where we were running sugar tests. We were trying to be just as open and above board as we could.

Every load that came in had a sample taken, about twenty pounds. The samples were put in individual rubber lined bags, and sent to a laboratory at the factory, where the beets were tared--that is, the leaf crown that was left on, was cut off so that we weighed and paid on the clean beets delivered. The beets were then run across a saw and the pulp removed by the saw was tested for sugar. The grower was paid on sugar content as well as tonnage.

Scheuring: So you had quite precise records on each grower's production?

Coke: We tried to do what we could to make the records precise, and to relieve any suspicion on the part of the growers that we were trying to do anything irregular in this operation. We encouraged growers to have their representatives there at the stations and laboratories.

The Sugar Act

Under the Sugar Act, of course, we were not free agents as

Coke: to the price of beets. The Sugar Act required us to do certain things. All sugar produced or imported into the United States paid a processing tax of so much per one hundred pounds. That went into the general fund of the U.S. government. Then the processor was required to pay a certain amount for the sugar that he processed.

Scheuring: As you came into the Spreckels Company, it was a very depressed time for the sugar beet industry, is that correct?

Coke: That's correct. The price of sugar was down and the growers were in real trouble, because the price they received per ton of beets was dependent partially on the net selling price of sugar. And of course that was the reason the Sugar Act was passed. In Congress the farm bloc was still very effective in getting legislation for agriculture. The Sugar Act was a new approach in trying to solve an agricultural problem.

Scheuring: The sugar industry was particularly liable to wild swings in prices, wasn't it?

Coke: Yes, and of course there was great fear that we would run out of sugar in this country in any emergency situation. The major producer of off-shore sugar was Cuba, and their supplies went to the biggest bidder. Former customers were not given preference. Congress did not want us in that position; it wanted to have enough supply and production in this country so that we couldn't be boycotted.

Scheuring: So the primary intent of the Sugar Act was to bolster the industry and encourage the domestic production of sugar?

Coke: It was an attempt to have an assured supply of sugar for people of the United States at all times.

Scheuring: Was this in the form of subsidies, then, to growers?

Coke: Well, people have called it a subsidy, but the sugar industry didn't like that term, and in fact, it wasn't a subsidy. The processing tax which was paid by the sugar processors provided more than enough to pay for the benefit payments that went to the growers.

Scheuring: That seems complicated to me; it was a matter of taking money from the industry for what they produced, and then giving it back again in sort of a rebate?

Coke: Giving part of it back as a rebate.

Scheuring: But there was a net benefit to the U.S. Treasury for this?

Coke: Some, I think.

Scheuring: Was that true during all the years of the Sugar Act?

Coke: Yes. Of course there were some years when the acreage restriction part of the act was inoperative because more sugar was wanted than the growers were willing to contract.

Scheuring: When the Sugar Act was repealed last year (in 1974), I think there was criticism by some groups that it was costing the government millions of dollars per year to uphold the sugar industry. But if it's true that there was a net benefit to the Treasury, I would think that argument would not be valid.

Coke: It was not a valid argument, but it has been repeated so frequently over the forty years of the Sugar Act that people started to believe it. Consumer groups made hay with it even though their information was inaccurate.

Scheuring: Wasn't there also a sliding scale of payments for the grower which benefited the small grower more than the large?

Coke: That's right. This was one of the social reform parts of the Sugar Act. As the total production, the total volume of beets that the grower supplied went up, the price that he would get under the Sugar Act went down. It was a means of benefiting the smaller growers.

Scheuring: What about the number of growers over the years with the Spreckels Company--did the number of growers increase or decrease, and what about the acreage per grower? Was there a trend in this?

Coke: Well, this varied greatly year by year, but the trend was generally for larger acreages and fewer growers. The total acreage increased because of increased capacity at the factories. Of greater effect was the sharp increase in yields per acre.

In the early days of the sugar industry, the sugar company owned or controlled large blocks of land, and they produced a large portion of their own beets. This was their way of getting beets then, because people were afraid of sugar beets. The general feeling was that sugar beets sapped the land and therefore that it was not a good crop to raise.

Scheuring: That's no more true for sugar beets than any other crop, is it?

Coke: There's no truth to it, with proper crop rotation and the addition of fertilizers (which you have to have with any crop to get maximum production).

Scheuring: It's the same with tobacco or corn.

Coke: Right. But that was an old wives' tale that had developed and sugar companies had to go to extreme lengths to try to get growers.

We talked once before about curly top disease. Some years would be disastrous and yields would be so poor that growers were taking great risks when they produced sugar beets. They didn't know whether they were going to get a crop at all, so the sugar companies took that risk when they did the farming.

About the time that I went to Spreckels, which was about 1934, our policy changed with the coming of the Sugar Act. We were able to attract other growers, and we actually were being criticized for growing sugar beets on company-owned land, so we got out of it.

Scheuring: So Spreckels no longer, by the end of your association, grew beets?

Coke: Not themselves. They still owned ranches but these were farmed by tenants--but those tenants were no different actually than any other grower who might be producing sugar beets.

Scheuring: Did Spreckels usually get their quota under the Sugar Act? I assume they were allotted a certain number of acres per year; or a certain tonnage amount they could produce. Was that usually pretty easily reached or was it a problem?

Coke: Usually we exceeded, and therefore, we had to hold over the excess sugar; that, of course, is expensive when you have to store sugar from one year to another.

Scheuring: That was part of the program too, wasn't it? If there was overproduction, the payments would not come?

Coke: Speaking again of acreage allotments, if a grower planted more acreage than he was allotted, he was requested to destroy the excess acreage. The processor was not penalized for processing more sugar than his allotment because he just couldn't gauge that from one season to another with any accuracy at all. He could be over his allotment through no fault of his own.

Scheuring: Did processors have allotments as well as growers? Or was it all

Scheuring: one allotment distributed through the processor to the growers?

Coke: The processors had a marketing allocation, which limited the amount of sugar they could sell. Growers had a production allocation, which (like the marketing allocation) was based on their history. Of course the production allocation for growers was actually implemented through the processors, because growers had to sign contracts with them.

Scheuring: How were the sugar quotas arrived at under the Sugar Act?

Coke: On a historical basis. The sugar division of the Department of Agriculture estimated what they considered would be the total consumption of sugar in the country each year. Quotas would be allocated based on historical production records.

Scheuring: That sounds almost as if new growers could not enter into the picture?

Coke: That's pretty much so. It was difficult for any new grower, and this is true with all the government controlled programs. With Triple A, if you didn't have a history, you didn't exist; they tried to soften that with a small non-allotted acreage to be distributed to new growers. About 2 percent of the acreage would go to new growers. So a new grower could get into producing sugar beets, but it would take him a long time to develop any acreage.

Scheuring: What was your opinion of the way the Sugar Act worked, as a whole, for the industry?

Coke: I'd say it worked all right. The industry was in desperate straits, and the rules and regulations helped some. But many of us felt that this was the wrong direction to go--to freeze agriculture. In the sugar beet industry the producer really almost had to produce; he couldn't sell his allotment. If he didn't use it, the committee would pick it up and give it to somebody else. This wasn't true in rice. If a rice grower did not use his rice allotment, he could sell it. There was lots of money made in the rice industry by the selling of allotments, but this was not possible for sugar beets or sugar cane. You were almost forced to grow the acreage that was allotted to you whether you should be growing it on that particular land or not.

Scheuring: The Sugar Act applied to both cane sugar and beet sugar?

Coke: Both, that's right.

Scheuring: Over the years, has beet sugar production come to be economically competitive with cane sugar production?

Coke: Very much so.

Scheuring: But it wasn't then?

Coke: No, not historically. Cane was raised in the southern states and required much less capital to get into.

Scheuring: It was a perennial crop too, wasn't it?

Coke: Yes, to a certain extent--you don't plant it every year. We used to be proud of the fact that we could put refined sugar in the bag on the market at about the same cost that Hawaii could put raw sugar in the port at Crockett.

Scheuring: I know chemically there's no difference between cane sugar and beet sugar, but I've heard people say that cane sugar is a little darker in comparison with beet sugar.

Coke: That's merely a matter of refining. People used to say that you couldn't can with beet sugar. It was true that the processing system, at one time, was not as good for beets as it was in cane, but for many years there's been absolutely no difference in the final product. No chemist now could tell the difference between cane and beet sugar.

Scheuring: I've done a lot of canning, and I never paid any attention whether it was cane or beet, so I'm sure that's true.

Coke: I'll bet your grandmother wouldn't have said that, though.

Scheuring: I understand there was a quota of foreign sugar that was imported under the terms of the Sugar Act.

Coke: That's right. We've never produced enough domestic sugar to fill our needs, so we always have imported foreign sugar to make up the difference.

Scheuring: It would certainly be possible now for us to produce all our needs, wouldn't it?

Coke: Well, except for competition with other crops; if the price were up, I'm sure the acreage would expand--there wouldn't be a problem with that.

Scheuring: Of course, the price is up right now.

Coke: Yes, and I suspect that the sugar companies will have no trouble getting acreage this year. But that may be different next year. This thing kind of balances itself out.

We have commitments to some of the off-shore producers that this country feels are very important. We take sugar from South America, the Virgin Islands, and Puerto Rico (of course Puerto Rico is not a foreign country).

Scheuring: The Philippines?

Coke: Yes, the Philippines, too. All these are commitments that we have made and try to live up to.

Scheuring: Sugar is sometimes used as a kind of a weapon in foreign relations too, isn't it? I read somewhere that there are some thirty-two countries involved in sugar production, and the sugar trade is very important to some of them in terms of their economy. The United States therefore can use sugar imports as a kind of reward-punishment system in foreign relations.

Coke: At least there are times when the foreign countries bring pressure on our government to give them larger quotas.

Scheuring: Does any of our sugar go abroad?

Coke: Practically none.

Scheuring: Other countries regulate sugar production quite heavily, so the Sugar Act was not unique, as legislation goes, to our own sugar industry.

Coke: No, sugar has always been an international football, and has been used as such.

Scheuring: In lieu of the Sugar Act, what do you think would be the best way to develop stability in the world sugar market?

Coke: Just let the market operate under its own terms.

Scheuring: Wouldn't that result in wild fluctuations again, with speculators playing the sugar market, as it was played in the early years of the century?

Coke: That's a question that's hard to answer. For the first time, I think sugar production in the U. S. has stabilized. It is in a variety of different hands.

Scheuring: You have no regrets for the Sugar Act?

Coke: None whatsoever. There were other parts of the act I did not like, such as the government setting the wage scales for field labor.

Spreckels Company History

When the Spreckels Company first got into sugar, it was through Claus Spreckels who came to this country from Germany, and started operation in the Hawaiian Islands. He got some very favorable concessions out of the Queen of the Hawaiian Islands, and developed the industry over there. He developed some plantations, and then he built the Western Sugar Refinery in San Francisco, and marketed Sea Island Sugar. This was raw sugar produced in the Islands and shipped to San Francisco for refining.

Scheuring: Is raw cane sugar in liquid form?

Coke: The processor extracts the juice from the cane by running it through rollers, and then puts the juice through evaporators to reduce it down to a crystalline form. Then the crystals are sacked, and this is raw brown sugar. (The brown sugar you find in the market is not raw sugar, it's just brown sugar even though some of the health people try to tell you that it is raw.) Then it's brought over here and re-melted and re-crystalized, and washed, while being centrifuged.

Scheuring: What's the major purpose of refining, besides getting that nice white color; is there some other chemical reason?

Coke: Yes, there are impurities in the sugar which, from the standpoint of canning or preserving or whatever else, wouldn't be acceptable. Refined sugar is needed to carry on the uses that we put sugar to in this country. Of course, the raw brown sugar you can use to sweeten your coffee, but you then get an odd flavor.

Scheuring: I think health food enthusiasts claim that raw sugar is more healthful; is there anything to that?

Coke: No, I don't think so. As a matter of fact, I don't believe many people advocate the use of real raw sugar. Deliver me from using raw sugar because I've seen how it's made. . . .

Scheuring: It's probably got bugs' legs in it (laughter).

Coke: Now brown sugar is okay, that's different; as a matter of fact, some, if not all, brown sugar is made from refined sugar by

Coke: "washing" it with molasses, and that's what we did at Spreckels. The molasses used in this process comes from cane, as beet molasses contains unpleasant impurities. So we would take the refined white sugar and put cane molasses on it, and get a brown sugar that way, which would be of a good flavor. But if we tried to use the beet molasses on sugar, people wouldn't like it.

Scheuring: That's interesting, I didn't know there was a distinction there.

Coke: Claus Spreckels started the Spreckels empire. He had four sons, J. D. and A. B. and Claus and Rudolph. I put them in that order because that's the way they operated. Claus and Rudolph spent most of their time and energy in San Diego. San Diego can give them great credit for the Coronado Hotel and other hotels and early developments of San Diego. They did, I think, a magnificent job.

The sugar part of the business went to J. D. and A. B. The part of the family that I knew was Mrs. Alma Spreckels--Mrs. A. B. Spreckels.

Scheuring: She was Adolph's widow?

Coke: That's right. She was still active in the company when I became a member. There were two parts of Spreckels at that time--there was Spreckels Sugar Company, and the J. D. and A. B. Spreckels Company. Frank Belcher was president of the J. D. and A. B. Spreckels Company; the Spreckels Sugar Company president was C. J. Moroney, and he is the one who hired me. Spreckels Sugar Company wanted to build a new factory, and he asked me to make the study to find the best location in California for the new factory.

Mr. Moroney was a great guy, but quite egotistical. He liked to use me as a sounding board--I spent hour after hour in his office or I traveled with him. That's when I started smoking cigars because (laughter) he smoked cigars. In order to stomach his cigar, I kind of had to match him.

Eventually it worked out that he had enough confidence in me so that I could go ahead and direct the agricultural operation and build a staff.

Then the American Sugar Refining Corporation purchased 50 percent of Spreckels Sugar Company.

Scheuring: About what year was that?

Coke: Well, they owned it actually before I went to Spreckels, but

Coke: they took no real interest in Spreckels Sugar Company except for dividends. When I became a member of the board of directors, and started attending directors' meetings, then I began to understand what it means when a company is owned 50 percent by one group and 50 percent by the other. Nobody had control, it was a bad situation.

Scheuring: You mean preferably fifty-one--forty-nine . . .

Coke: Yes, somebody should have control, but this wasn't the way it worked out. Mr. Moroney had a very difficult time.

Scheuring: Could I ask you how it was that you came to be on the board of directors; was that when you were appointed vice president?

Coke: Yes.

Scheuring: You were elected to the board?

Coke: Well, I don't know how they did it, but it was the directors who appointed me to the board and to be vice president.

Scheuring: Wasn't Mrs. Spreckels on the board?

Coke: No, she was not at that time; she had been earlier, of course. Her brother, Alex de Bretteville, was on the board for a while. But in the latter part of my tenure with Spreckels, he was off the board too.

Alma Spreckels

Mrs. Spreckels was quite a dynamo. She did a great many things for San Francisco, such as building the Palace of the Legion of Honor, and she sponsored all kinds of things. One of her interests was the rebuilding of Sobra Vista in Sonoma County, just south of Glen Ellen. One of the Spreckels family had built a large Georgian style house up in the hills; it had statuary all around. The setting was very beautiful. You drove up a winding private road on the hillside to their place. There was a lake up there, and it was really very beautiful, but it had run down. Mrs. Spreckels, Alma, was in the process of restoring it, bringing it up to the original beauty, and that's when I got into the picture.

I got a call one day from Alex de Bretteville, then a vice president of Spreckels, soon after I had joined Spreckels--and he

Coke: said that he wanted me to go to Sobra Vista and talk with Mrs. Spreckels. She wanted to put some sheep on the property. I went up there, had a delightful time, stayed overnight, and found out that what she really wanted was to have a beautiful pastoral scene in the hills with white sheep grazing over the hillside. She said, "I want to buy those sheep, but my brother thinks I ought to talk to you about it." I looked the situation over, and I told her brother, "I wouldn't do it. There's no predator animal control, and there is no one to really care for the sheep. The results would not be good. It would be much simpler to lease the pasture to someone for cattle grazing privileges."

I thought that was the end of it, but the next thing I knew, she had purchased five hundred bred ewes and put them on this hillside. I didn't hear anymore about this for about a year. Then one day Alex de Bretteville called me and said, "Earl, do you know anybody that would buy about five hundred sheep?" I said, "You mean these are the same ones that she bought a year ago?" He said, "Well, they're not the same ones. Even with all the lambing that took place, a lot of them died so that we still only have five hundred--and they're in poor shape." And he added that his sister should have taken my advice on this thing.

Later it got to be kind of a joke between Al and me because she wanted to raise turkeys up there (laughter).

Scheuring: That doesn't sound quite so pastoral!

Coke: Well, she had these hang-arounds; people that she was giving jobs to. They all had ideas, and she'd try them out. I kept saying no for turkeys and chickens and all the rest because I knew none could be successful under the personnel and management that they had up there. But she was a good sport, and she would joke with me about it. She'd say, "I guess I might as well not talk to you about it because you're going to say no anyway" (laughter).

Scheuring: Did she have a lot of influence on the board or in the control of the company?

Coke: No, she did not. When I got on the board, the control was in the hands of C. J. Moroney and the American Sugar Refining Corporation. The Spreckels family had really rather passed out of the picture. Charlie de Bretteville, who was the son of Alex de Bretteville, and the nephew of Alma, was in the sales department of the Spreckels Sugar Company, and was of course quite unhappy to be a salesman. Charlie eventually became president of the Spreckels Sugar Company.

Scheuring: How did that come about? I thought that the president always rose from the ranks of the company.

Coke: Actually I was scheduled to be president of the Spreckels Sugar Company, according to some board members. But I was watching the politics going on and felt that my chance of succeeding Mr. Moroney was slim, because Charlie de Bretteville was very active in promoting himself. He would entertain the director, Mr. Pock, from American Sugar Refining Corporation who came out here; and he would do things that I couldn't do--he would go to the Bohemian Club and the Pacific Union Club, play squash with them, or do things like that; he worked hard apparently trying to get himself in a good position to take over, because he knew that there would be a change and I was probably the only one in his way. He never attacked me, personally; my relationship with him and the board was good, but not very effective because Moroney did not relinquish any authority or control. I was just an assistant to Moroney rather than a vice president.

So when the opportunity came for me to do something that I had always wanted to do anyway--that was to become director of the Agricultural Extension Service--with about the same salary, and figuring all of the politics within Spreckels that was going on, I figured I had better do something which I knew I would really enjoy.

Scheuring: The opportunity came along at a convenient time for you?

Coke: Very!

Scheuring: I understand there were some major stock transactions going on at that time too, which would have been about 1949?

Coke: That's right.

Scheuring: Is it true that Mrs. Spreckels was forced to sell some of her stock because of a settlement she had made with her nephew?

Coke: I don't know. This did not happen while I was there, it happened after I left. By then I was so busy doing other things that I didn't even try to keep up with what was going on at Spreckels. After Charlie de Bretteville did his stint as president, he then went on as president of the Bank of California. Guy Manuel was then made president of Spreckels Sugar Company. I was pleased about this because I had hired Guy, and he has proven to be a most capable person.

Scheuring: I'm still wondering about some of these cataclysmic changes in the corporate structure, about 1949. I had read that the stock-market was the lowest it had been since the war (in four-and-a-half or five years), and because of difficulties within the family,

Scheuring: there were major stock transfers. As a result, Spreckels lost all claim to be a family company of any kind, and just became a subsidiary of what is Amstar today.

Coke: I'm sure you're accurate about that; but the details I do not know. That all took place after I left. I well recall the directors' meeting in San Francisco the day that I gave my letter to Mr. Moroney telling him I was resigning. There was great consternation apparent among some of the directors because they had thought that Moroney was going to retire soon, and that they would have me to take over. I'm sure that there would have been a fight on the part of Charlie de Bretteville at that point. I wasn't interested in that battle because I had something else I wanted to do.

Scheuring: At that time was Mr. de Bretteville male heir of the power, because there were no Spreckels males?

Coke: There were no Spreckels males in the operation, although there were Spreckels males around. There was a Claus Spreckels, and an Adolph Spreckels. Adolph was in the news a great deal about that time.

Scheuring: He was a playboy?

Coke: Yes.

Scheuring: But he was not interested in business?

Coke: No, they tried putting him in operations at one time, but he had no interest in work.

Scheuring: This seems kind of a classic case of a family that petered-out after a very hard-driving first generation or two.

Coke: Yes, it stopped there. Alex de Bretteville, the brother of Alma, tried to hold something together but he just didn't have the capability.

Scheuring: How did you feel when you knew that the control had passed completely from the family to a national corporation; did you think this was kind of regrettable?

Coke: No, I didn't, because I felt the family had lost all interest in the company. If the Spreckels Sugar Company was to be saved, somebody capable had to take over. I think time has proven this to be true. Guy Manuel can get answers which C. J. Moroney couldn't get, and so he can really operate the company.

Scheuring: Even though the bureaucracy has increased because it is a national holding?

Coke: Yes. But there are good bureaucracies.

In Commemoration of the

100th ANNIVERSARY OF THE CALIFORNIA AGRICULTURAL EXPERIMENT STATION

This certificate of appreciation is presented to:

J. Earl Coke

For his contribution to the growth and development of services to the people of California through the continuing work of the University of California Agricultural Experiment Station.

Seventh Day of November, 1975
Berkeley, California

F. B. Kendrick, Jr.
Vice President-Agricultural Sciences

David S. Saxon
President

V. DIRECTOR OF AGRICULTURAL EXTENSION SERVICE, 1949-54

Scheuring: Professor Crocheron, director of the California Agricultural Extension Service, died after a lengthy illness in 1948, and Chester Rubel had been acting director. How did you come to be the director of Extension in 1949?

Coke: I was asked to take the position by the president of the University, Robert Gordon Sproul, but more directly by the statewide Dean of Agriculture, Harry Wellman. I did not apply for the position. I was not looking for a job. Even though there were problems in Spreckels, there was no reason for me to leave. But I had always had a feeling of great loyalty to Extension. It had played such a major role in the development of U. S. agriculture to its high point of dependability and efficiency. I also felt I could help further develop the service.

Professor Crocheron had been director twenty-two years and did a magnificent job. He was a real leader; he was, in fact, in some respects a dictator. I presume that's one reason why he's gotten less credit for his contribution than he deserves. But I know of no real public effort to try to acknowledge the debt that we owe him. Perhaps I should have taken the lead in doing this, but I didn't.

Scheuring: He had been your mentor, of course, in your boyhood, and then you had worked for him as an Extension specialist, so I would imagine it was an honor and certainly an attractive challenge to follow in his footsteps as director.

Coke: Yes, it was.

Scheuring: Wasn't it unusual for an academic appointment such as this one to be filled by someone from industry?

Coke: Well, I didn't have a graduate degree. . .

Scheuring: I'm not referring to academic degrees so much as to a certain kind of tension between the academic community and what we call the commercial world; you said something earlier about Professor Crocheron warning you against the possible corruption in a commercial world.

Coke: Well, I don't think that Dr. Wellman had that feeling and I'm sure that Bob Sproul didn't. You see, Dr. Wellman had, in his work in agricultural economics, been working with industry, and so he didn't have the fear of commerce that Crocheron had.

Scheuring: Professor Crocheron was perhaps a little antibusiness?

Coke: Very much so; for what reason, I don't know.

Sidelights on Extension History

Scheuring: There are some interesting sidelights on Extension history that I happened to come across in my reading. I read a speech by Professor Crocheron written right after the war which described the work of Agricultural Extension Service during the war, and two things in it were very interesting. I was startled, for example, to find out that Extension (that is, the farm advisors in each county) actually did recruiting during the war for a kind of state militia.

Coke: Almost everybody else was startled too! And I think that's probably another reason why there's been no more public acclaim of Professor Crocheron as director of Extension. That was criticized from one end of the state to the other.

Scheuring: That was really his brainchild?

Coke: I think it was. Although, not being in Extension at that time, I really did not know much about this activity. But it was the way he ran Extension; he got an idea, and then he would set to work with J. E. Tippett, his assistant. He would direct his assistant state leaders (Chester Rubel, Tom Mayhew, and L. B. Smith) to have the counties go in his predetermined direction--and so it was all direct, direct, direct . . .

Scheuring: Then there was no local autonomy?

Coke: No, and no rubuttal; had there been any chance for rebuttal on this militia, he couldn't have gotten into it.

Scheuring: I'm surprised that the governor would have let him organize a militia. It just seems so really out of line.

Coke: Out of line, completely. I was not in Extension at that time so I know little of the details.

Scheuring: Mr. Crocheron mentioned in his speech that over 24,000 men enlisted voluntarily in this militia through their county farm advisors. It's a very interesting bit of Extension history.

Coke: Yes, it is, and one that not many people are going to bring up. In fact, I had forgotten all about it.

Scheuring: The other thing that interested me was that Extension had responsibility for all farm labor allocations to various crops during the war.

Coke: Yes, Extension set up a labor office with overall control after we in industry got the Mexican national program going. Of course, there were attempts at recruiting other than the bracero program, but very few workers were brought in from the rest of the country--they were simply unavailable. This operation was controlled by Extension. They did a good job.

Scheuring: Were prisoners of war used for agricultural labor in California?

Coke: While I was at Spreckels, I had tried to get the Japanese in the relocation camps to use in agriculture, and I couldn't get those. Whether prisoners of war were used, I don't know.

Scheuring: I know prisoners of war worked on farms in the Midwest, and some relocation Japanese workers also. But you had mentioned there was much more feeling against the Japanese in California.

Of course the labor allocation service was not Professor Crocheron's idea; Extension was commissioned to do that by special federal legislation. But that was another sidelight on Extension history--I guess Extension got out of farm labor allocation after the war?

Coke: Very quickly.

Scheuring: Did you differ in philosophy from Professor Crocheron in other areas of the program besides decentralizing it?

Coke: No, I don't think so. As a matter of fact, I'm not quite sure what his philosophy was. I agreed with his strong feelings against the Triple A program, the Agricultural Adjustment Administration.

Coke: Yet when Extension was assigned a job to do, we went ahead and did it even though we didn't believe in it. I think Extension did as good a job as could be done under the circumstances.

Scheuring: In the late forties and early fifties, the period that you were there, was there an expansion of the Extension system with the veterans returning from the war?

Coke: There was some expansion, but there was also, of course, difficulty with budgets. State funds to support Extension come from funds allocated to the University by the governor. The University then makes its allocation to Extension and other departments. These funds plus those received from the federal government and the county boards of supervisors constitute the total money available. The Extension director has little influence on the amount of financial support he gets. I remember once, however, that when the total University budget was to have been cut by the state legislators, President Sproul, B. H. Crocheron, and many farmers of California went up to the state capitol and raised such heck that they got the university budget revised. This was a clear indication of the influence of the Extension Service on the legislature. President Sproul knew how to use the strength of agriculture in helping him get his university budget. No president now can do that, because agriculture doesn't any longer have that strength.

Scheuring: In regard to budgeting for Extension, you had to take what you were given, rather than request funds?

Coke: Pretty much; actually, on one budget, we could see the handwriting of Bob Sproul changing the salary figure of somebody in my department--I don't know whether he knew the man or not, he must have.

Scheuring: Sproul would go through the budget line-by-line?

Coke: He'd go line-by-line, and he'd make changes (laughter)!

Scheuring: Were you in on the movement from Berkeley to Davis of some of the departments with agricultural production aspects?

Coke: No, that was internal. Extension was not generally involved in the councils of the operations of the College of Agriculture until Dr. Wellman became statewide Dean of Agriculture. We had our outside activities and were busy with those, and so we didn't fool around very much with university politics. There was, however, a feeling that the Extension specialists should "belong" to the subject matter division.

Scheuring: Hadn't Professor Crocheron wanted all the specialists under his wing in Berkeley?

Coke: That's right.

Scheuring: But after his death there was a movement to get them spread out?

Coke: Yes, we spread them out, but we still kept them on our payroll. I had no real argument where payroll money should come from (because that's where your control is), whether the money should be budgeted to Extension, or to the subject matter division. But we had had the practice of salaries being budgeted by the Extension Service, and I saw no reason to try to change that, so we kept it there. The county, of course, only provided money for county travel and offices within the county, but no salary. This was done on purpose because Crocheron (I think wisely) did not want to have his employees being controlled by any county board of supervisors.

Changes in Extension

Scheuring: Could you give an overview of Extension activities as they existed when you became director?

Coke: Yes, I'd be delighted to. When President Lincoln signed the bill establishing the land grant college system (something that was to benefit all mankind), it resulted in the U. S. farms being able to produce food for not only people in the United States, but for the people in the world.

Of course, general mandatory education had a part in it; but the establishment of the land grant colleges with agricultural extension, research, and teaching, was (in my opinion) the basis for our great development in food and fiber production.

The Federal Extension Service, for years under Director M. L. Wilson, never really became important in exercising leadership in agriculture. I don't think the federal Extension could be very effective. I say this because when President Eisenhower was elected, and selected Ezra Taft Benson as secretary of agriculture, Mr. Benson attempted to get me to accept the position of federal director of Extension. I was at that time director of the California Extension Service, and I wouldn't even think of going to Washington as federal director because I felt that there was so much more that could be accomplished on a state local, particularly in California, where we were well financed and where we had the operating means of doing a job in Extension. I turned him down.

Coke: The relationship between research and extension is, of course, exceedingly important. The relationship that existed when I was Extension director was, I think, ideal. The specialists were largely housed with the subject matter divisions of their particular specialty, so there was an intimate, daily relationship between the research people and the Extension specialists.

The Extension specialist, in his travels and his work with the farm advisors, became well aware of the problems affecting various industries, and was able to bring that information back to the experiment station so that they could help design their research work to meet the problems of California agriculture. It was a two-way street; the experiment station people frequently went out into the field, either with the specialists or directly dealing with the farm advisors in the various counties, and setting up experimental work--which, in many cases, was conducted with the assistance of the farm advisor. So, there was a vast volume of research work that was going on which was of direct benefit to California agriculture.

That relationship did not exist earlier; Professor Crocheron wanted to keep the Extension specialists pretty much under his thumb. As a matter of fact, even though I have always spoken very highly, and do speak highly of Professor Crocheron, his type of operation was one of a sort of dictator--complete control. Even the farm advisors did not really develop their own programs; they were given programs by the Berkeley office.

Scheuring: Why is that? Do you think he just didn't trust people in the field?

Coke: Well, I think he didn't trust the people enough, but more important than that, I think that he felt that his knowledge of what should be done was better than the farm advisors.

When I became director, I tried to change that; I attempted to get over the philosophy that the farm advisor in the county knew better than anybody else what were the problems of the county, and therefore, should be the principal designer of the Extension program within that county. That's the reason we changed the titles. Instead of calling the staff in the county "farm advisors" and "assitant farm advisors" (assistant is a degrading term anyway), and "home demonstration agents"--we named the person in the county in charge, the "county director of Extension," trying to put over the idea that here was the person who was really in charge of Extension work in that county. We looked to him for that county's success in Extension program. All the men in the county under him were then called farm advisors, not assistant farm advisors. The women were called home advisors, not home demonstration agents.

Scheuring: It must have helped morale, I should think?

Coke: I think so. The home advisors in the county were under the direction of the county director of Extension, so one person was in charge of both the home economics and the agricultural work--and also in charge of 4-H club work.

I think that we changed the concept of Extension in this way, and gave a feeling of importance, of confidence in the county staffs that they had not had before. And we did not design Extension programs for them to carry out. There was even some criticism of my administration putting this responsibility on county staff, for it was felt by some that we did not give enough direction to the farm advisors in the counties. They had been chafing under the complete direction of the Berkeley office, but then when they were given the opportunity to go ahead and develop their own programs, some of them didn't like that either, because then they had nobody to blame for the failure of any program!

Then the specialists, as I said before, were (for the most part) provided offices with their subject matter divisions, which helped working relationships very much.

Scheuring: Was that on your recommendation?

Coke: There was general agreement. Some specialists had been previously located with the subject matter division, but we made this a policy and it was carried out throughout the specialist groups except for one or two that were so old in the system and so well established in their method of operations that they didn't want to move. For the most part, all new specialists were located at Davis, or Riverside, with the subject matter division.

The present (1975) operations of Extension, of course, I don't understand too well, not having had close contact with it for several years. But I have deep concern over what the University is doing in the matter of reorganization, although I must presume they know what they are doing. They have combined the responsibilities of the direction of Extension, research, and teaching in one person. This has possibilities of greatly improving operations if a strong individual, such as Dan Aldrich, were in charge. Strong character and ability to lead is what is needed. If that is not there, the chance of this reorganization working is fairly remote. Chet McCorkle is in a very good position in the University, and Chet is the one who has set up this plan. It may be that with his strength, he will be able to see that it works, but it will require a Chet McCorkle or somebody like him to make it go. I'm

Coke: not saying this to criticize people, I say this because I think it's exceedingly important to the people of the state of California that there be some head (definite authority) to the research and extension work, which we haven't had for the past several years, not since Harry Wellman was in that position.

When Dean Hutchison was statewide Dean of Agriculture, and then Harry Wellman after him, we had a place we could go to and talk about the program of the three parts of the division of agriculture. We had one place that determined, at least initially, the salaries and appointments, and these two men had real power and real strength, and could do a great deal to direct the work of the division of agricultural sciences.

Scheuring: Do I understand that you think Extension has been in a decline during the past few years, and you're afraid that it may decline further?

Coke: I think not only Extension has been on the decline, but the agriculture research work has been on the decline: first, because the money available to it has not kept up with the inflation and increased costs; and second, because there's been no overall direction on the kind of research work that has been carried on. I suspect there's been more direction of extension work than in research, but how effective this has been, I don't know.

Scheuring: What would you suggest in terms of a reorganization? Do you have any ideas on that?

Coke: To strengthen the research and extension work of the University. I don't know how it should be done, except that I do not feel it is proper to put the task in the hands of the chancellor who has such a variety of interests. In most cases, a chancellor has little knowledge of the needs of agriculture, little concern for the future of research and extension, and yet that's where the responsibility is now--unless the Chet McCorkles are able to keep a handle on this, and do it the way it should be done.

But, from the standpoint of reorganization, I don't know how you handle it with the dominance of the chancellors, and yet I don't know how you run a University without chancellors dominant on the various campuses.

Scheuring: But you feel strongly that there should be a separate director of Extension as there has been previously?

Coke: No, I don't feel strongly that there should be a separate director. I think there should be a direction for Extension--if this can be

Coke: done with one person, like Jim Kendrick, that's great. To put all of the direction of research, teaching, and extension together theoretically I think is excellent, if you have the right kind of person to operate this.

It might be much better if all research, including agricultural research, were centralized in one or two places. I think that's the direction that they've been going, so that then you have a better handle on the type of research that is going on.

Scheuring: Davis, for example, would be better than Berkeley?

Coke: Davis would be much better than Berkeley, although you need research too in Riverside. But if you had Davis and Riverside as the research centers, administratively, I think, this would be easier to handle.

Problems and Programs in the Early Fifties

When I became Extension director, I was very enthused about the opportunity of building up Extension, making it of an even greater importance in the state's agriculture. There was terrific support, as far as I could tell, from almost all sections of agriculture.

One major problem had to do with the home demonstration work under Clarabelle Nye, who was state leader. Clarabelle Nye had, during the time of the sickness of Professor Crocheron, taken control of the home demonstration work to the point that she was maneuvering to become the "director" of home demonstration work in California, not just a state leader. Miss Nye believed that there should be two Extension Services, and was doing everything in her power to convince Harry Wellman and Dean Hutchison that they ought to give her her own budget so she could run her own show.

So, Dean Hutchison warned me when I came in that I was going to have to take over and get control. That was easier said than done!

Scheuring: She had visions of a separate department?

Coke: A separate department, that's right. She would be the director, and it was a very unhappy situation to have to fight that. I give great credit to the women that were in Extension; most of

Coke: them were very loyal to me, and I know they were in difficult positions frequently with Miss Nye. I tried to reduce the friction as much as possible but finally had to insist that Miss Nye be released of all program, personnel and other administrative responsibility.

Scheuring: Wasn't the home demonstration work understaffed at this time? Wasn't it difficult to get enough qualified people?

Coke: No, I don't think so. I think we were, at that time, fairly adequately staffed, if not overstaffed.

Actually, home demonstration work in my opinion had decreased in its usefulness. Farm women were no longer isolated, they could buy the same magazines as did urban women, and they could go to shows and travel, and they did all the things that urban women do, and some things a lot better.

Scheuring: Radio, of course, was a great influence too.

Coke: Yes. Therefore, the need for home demonstration agents was greatly diminished. Previously they had been performing valuable services because at that time the farm women were not able to get out; they had their local meetings and it was great to have somebody come in and talk about nutrition. But in just a few years the whole situation changed, and the home demonstration agent program did not change with the situation. I was trying to get it adapted to do some other things.

We put on some specialists that we thought were necessary. We were doing more work with low income people, the farm labor group in the San Joaquin Valley, trying to see if we could do something to help them spend what money they did have more adequately.

In the annual Extension reports I saw that the Rosenberg Foundation had funded Extension for $25,000 for two-and-a-half years in the period that you were there. Would you describe that?

Coke: Well, we felt that we could use more money than we had to put in special agents in the San Joaquin area. These were people who were not home economists, but women who knew, could understand, low income persons and their mentality, and their problems, and could work with them on sort of a private, individual basis. Working with low income people was not successful in groups.

Scheuring: Were these primarily migrant farm laborers?

Coke: Yes, they were primarily migrant farm workers, some of them not

Coke: so migrant because they'd kind of hole up some place in a cabin. But if we could teach them to use orange crates to make cupboards, and how to buy a little more effectively, so that their money would go farther, we felt that was worthwhile. And so the Rosenberg Foundation felt that that was a good project, and they did fund it.

Scheuring: What was the Rosenberg Foundation?

Coke: It was a San Francisco-based foundation that was founded, obviously, by a Rosenberg--I can't remember much about it--that was dedicated to improving conditions among the working class.

Scheuring: Did they come to you, or did you go to them?

Coke: I'm not sure; I suspect some of both. I can't remember the name of the woman in charge of it, but I had known her for some time, and so I suspect we talked about the problem, and she came up with the money.

How effective it was, I don't know. How effective any kind of program like this is, is difficult to evaluate. But at least it was a try, and I think probably more effective than some of the federal programs that were subsequently mandated.

People in Extension

Wayne Weeks, Jim Fairbank and Irene Fagan were assistant directors on whom I relied heavily in the administration of Extension services. When I went to Washington, Wayne was appointed acting director of Extension.

Jim Fairbank, who had been the agricultural engineering specialist for Extension for some years, came in as an assistant director, and did his usual fine job. He understood people, and he knew how to work with them. He was a real strength in the administration.

J. E. "Tipp" Tippett was also a member of my staff. Tipp had been a student of Professor Crocheron in Maryland. When Professor Crocheron came to California, Tipp showed up, and B. H. put Tipp through college. Tipp was a smart person. When I became director I'm not sure whether he resented my appointment or not, but the changes that came about as a result of my appointment, I am sure bothered him a great deal. One of the problems I

Coke: had was to keep Tipp from running Extension as he apparently did in the latter part of Professor Crocheron's tenure. One advantage I had was that every noon Tipp would go to the Faculty Club for lunch and play cards, getting back to his office in the late afternoon.

But with the strength of Weeks, Fairbank, and Fagan and with the backing of Harry Wellman, we got along pretty well.

Scheuring: Had you brought many of these people in yourself, such as Wayne Weeks?

Coke: I brought Wayne Weeks in. I had known and worked with Wayne when I was with Spreckels Sugar Company. He had been Extension specialist in sugar beet production, and then went with the West Coast Beet Seed Company, which I had helped form. I think that I took him from West Coast Beet Seed Company back into Extension as my assistant director.

Scheuring: Did you recommend that he be acting director while you were in Washington?

Coke: Yes. And I was very hopeful, when I resigned, that he would be appointed director. I am confident that Wayne as director would have done much to improve Extension.

Scheuring: Did you do hiring for Extension personnel yourself, or what was the policy then?

Coke: Yes, I had a hand in it; and the assistant directors all had a part in this process. We had frequent staff meetings, so everybody had a hand in the decisions that went on--the selection of people, salaries, and location of people, and so on.

Scheuring: Were there any special training programs for people coming into Extension?

Coke: Oh yes, we had all kinds of training programs--to the point that sometimes I felt we were training people so much that they didn't have time to do their work! I think maybe we did go overboard on the training, but when you're in a new area and going into new fields, you almost have to spend a good deal of time training.

University Administrators

Scheuring: What were your impressions, at that time, of President Sproul and Claude Hutchison, and some of the others?

Coke: I was very fond of President Sproul, and I thought he was a magnificent individual, but I had very little contact with him most of the time.

Soon after I became director of Extension, Bob Sproul invited me to go with him on what he called his Alumni Chautauqua tour. Every year he would take two weeks and invite two professors from the University to go with him. That year his party consisted of Mrs. Sproul, the executive officer of the alumni association, Stan McCaffrey, and his wife Betty, and Dean [William L.] Prosser of the Law School, and me. We met with the alumni groups in various areas of the state at breakfasts, luncheons or dinner to discuss university affairs.

Scheuring: Quite wearing, I would imagine?

Coke: Yes, but most interesting. President Sproul knew a great deal about Extension and about the state of California, and he of course knew many people.

Scheuring: He was a good speaker?

Coke: Wonderful. I never tired of listening to him make his prepared speech although I heard it time after time. Mrs. Sproul laughed just as heartily at Bob's jokes, or any of our jokes, at the end of the "Chautauqua" tours, as she did at the first one--she was quite a trooper in her own right.

Scheuring: The purpose of this annual tour was to get feed-in from the various segments of the state as to problems or concerns of alumni for the University?

Coke: Yes, that's right, and for the president to give them his plans for the future of the University.

Scheuring: It sounds like a great public relations type of thing.

Coke: It was a vigorous one. I suspect not many presidents now would be willing to do this.

I went to see President Sproul when Secretary of Agriculture Ezra Taft Benson offered me the assistant secretary of agriculture job, and he said, "Well, I'm glad to see them offer it to you--I'll give you a leave of absence for two years, but if you stay more than two years, I expect you to resign," which sounded all right to me at that time. As a matter of fact, I did resign at the end of two years, although it was because of my wife's illness and not because of a commitment I had made to Bob.

Coke: Dean Hutchison I admired very much. He was a strong person, and yet easy to deal with. He was always available for advice but he let me run my show. The same was true of Harry Wellman. Harry was always helpful and would do what he could when I asked him, but otherwise he let Extension alone. That makes a very pleasant situation for any administrator to feel that he has the confidence of the people over him.

Scheuring: Wasn't this a period of great expansion for Extension?

Coke: Yes, there was some expansion. We were getting more money from both state and federal sources. We could add to staff in the counties, and a few additional specialists. There was always demand for more work than we could do, which was an indication that Extension had been performing well. The value of the work stood on its own feet, and so the increases in funding came to us because of the success of the operations.

The 4-H Program

Of course, one program that had great public appeal was 4-H club work. I, of course, have a very warm spot in my heart for 4-H; it probably did more for me personally than any activity I ever participated in, in giving my life direction. Of course it wasn't called 4-H when I was a boy; it was called "agricultural clubs," but it was the same thing. The key to the success of 4-H was really the project, where the boy or the girl had to do something in a project form in order to be a member. Fortunately for 4-H, which was largely geared to agriculture and home economics, these were not make-work projects, but were real. When a kid takes a calf, and grows it out, or a vegetable project and grows and sells his produce, or even carries on a tractor maintenance project, and does the actual work on tractor maintenance--then he's accomplished something, and he feels that he has done something worthwhile. This is far different from some of the other youth programs where they have to make-work in order for the kids to have projects, or they don't have any.

Scheuring: Hadn't it been a stipulation under Professor Crocheron that the projects either had to make money or save money, and didn't you remove that restriction?

Coke: Yes, he had economic goals for the thing. That was fine unless you had home economics projects, and then it was hard to make or save money. It was when we expanded 4-H club work to the urban

Coke: areas, that we were unable to hold to that. Under the conditions that existed when Professor Crocheron was in charge, I think that it was a good requirement. But under the conditions that existed as agriculture changed, and rural areas became urban, and as people changed, we had to modify that requirement.

Scheuring: Wasn't it under your directorship too, that industry was encouraged to help fund 4-H work?

Coke: We had the assistance of the California Bankers' Association, the General Petroleum Company on the tractor work, and we had projects with some of the sugar companies on sugar beet production. Of course, there was also the National 4-H Service Committee which is made up of members like Westinghouse, Swifts, General Electric, etc. These companies financed the National 4-H Club Congress held annually in Chicago.

Participation in the Congress was a real assistance to 4-H. B. H. never sent anyone to the Congress and would not allow participation in the national committee's operations. I changed that, and we did participate, and I think it was a real benefit to the young people of the state that there was an annual affair that they could go to, which broadened their acquaintanceships and their horizons, and did a great deal to stimulate interest in 4-H club work. I can understand Professor Crocheron's reluctance to get involved with prizes and awards, because sometimes they are abused. But we hoped that we handled this so it was beneficial to the boys and girls of California.

Scheuring: Prizes can certainly be an incentive for some people.

Coke: Oh yes. I attended the 4-H Congress for top award winners several times. I was a member of the National 4-H Service Committee for several years. At the Congress in Chicago there were two thousand of the select young people of the nation, participating in programs, having an opportunity to meet with and deal with leaders in business. It was interesting to me that the top people, the presidents of the various companies, would attend the Congress. It was a stimulating experience to watch 2000 boys and girls take part in the activities of the Congress.

I had hoped we could do something similar in the state, but in the short time I was in Extension, that didn't happen, and I guess it hasn't happened yet.

Scheuring: The state fair is kind of a gathering place for 4-H, isn't it?

Coke: It is, yes, and maybe it is enough to take care of the needs for a showplace for 4-H club work.

Scheuring: What about the international farm youth exchange program, didn't that begin during your tenure as director too?

Coke: Yes. Some of the selections we made probably could have been better. It dealt with so few people, and it took so much time to make these selections, that I wondered if it was worthwhile. It was not one of the outstanding accomplishments that took place while I was director of Extension.

The Japanese Young Visiting Farmers Program

Scheuring: How related to that was the Japanese "young visiting farmers?"

Coke: That's something else . . .

Scheuring: Did that start with you too?

Coke: No, it started with Governor Earl Warren. He had taken a trip to Japan. With his usual openness and friendliness, he invited the Japanese to send some of their young farmers to California, and we would take care of them. Then he returned home, and he said, "Earl, will you take care of this?" We, of course, didn't know quite how to handle it at first. The Japanese paid, of course, the expenses of their young farmers, and these were young farmers that came--every one of them was engaged in farming in Japan.

Scheuring: Early twenties was the age?

Coke: Yes, early twenties. Many were married. They stayed three months (I believe), and it was our job to get them placed on farms. Well, the Japanese here, the Nisei, did a great job. They took them in, so that the Japanese young farmers had some home that they could go to, where they felt comfortable. We had very little trouble with these people. We had Japanese supervisors whom we hired to check the program as it was going on, but it was highly successful.

Scheuring: It's still going on, isn't it?

Coke: Yes, I believe so.

Scheuring: How big a group, ordinarily, would come?

Coke: When we started out, there were twenty-two, and as long as I was

Coke: in charge of it, that's about the number. We felt that was pretty good; Earl Warren's executive assistant, Pop Small, said that Earl Warren thought we ought to have five thousand come in. We convinced him that we would rather start small (laughter) and grow.

Scheuring: They didn't stay together as a group . . .

Coke: No, they were spread around the state, and they lived and worked on farms. The object was to give them a taste of agriculture here, although the kind of agriculture and rural living that we showed them couldn't help them too much at home, because our operations are so much larger. They didn't have the tractors, and all of the equipment that our farmers used.

Scheuring: Maybe they learned something, because now the Japanese are exporting garden tractors into the United States (laughter).

Coke: That's right; absolutely they learned something, and they increased the amount of mechanization. But we and the Japanese leaders were more concerned that they would learn something about the American way of life. At that time communism in Japan was a real threat, and the real purpose of the Japanese young farmer program was to try to build an understanding of democracy.

Scheuring: Going back again to 4-H, what were your goals for membership in 4-H? In 1950 you had a relatively low percentage (I think it was 10 percent) of the potential 4-H membership, and you wanted to expand that?

Coke: Yes. This is where some of the additional money that we got helped. And then we got Rudy Monosmith from Tennessee to come here and to really expand our horizons on what we could do in 4-H.

Scheuring: Wasn't he the first full-time state leader?

Coke: That's right. I guess it's easy to be critical, but it seemed to me that the people we had running the 4-H club program--Bob Ralston, Glen Waterhouse, and Frank Spurrier--had been on the job so long that they could no longer see the potential. They had been trained under a system where they did what Professor Crocheron wanted them to do, and they weren't supposed to plan their own programs. So Rudy really broke this thing loose, with the assistance of Dorothy Duncan and Ruby Harris--Ruby was a psychologist who did a great deal to open up opportunities in 4-H. With this kind of an approach, we were able to get more local leaders and train them, as well as junior leaders. I thought one of the really effective programs was the junior leader program where the

Coke: 4-H club youngsters themselves, who had already been in 4-H club work, took responsibility for leadership in the clubs. They were very proud of this . . .

Scheuring: That's good training . . .

Coke: It's great training.

Scheuring: Didn't you also encourage the Extension specialists to develop 4-H materials?

Coke: That's right, and this primarily in the field of home economics, although to a lesser extent in agriculture. Except for livestock projects, the agriculture projects that we had were quite limited.

The vegetable project, the one that I had been in as a boy, didn't work in most places; the sugar beet project worked to some extent. But it was very hard to have a farm project on a farm where the father was raising something and the kid would have a quarter of an acre of the same thing. How do you segregate this? Too often it was a project that ceased to be for the boy, and just became a part of the regular farm operations.

Scheuring: But there was a new emphasis on written materials at this time too, wasn't there? Developing new project booklets?

Coke: Yes, for the help of the youngsters, that's right.

Scheuring: In 1953 the Smith-Lever Act was amended. You were in Washington at that time; did you help push the additonal funding for Extension through congress?

Coke: Well, I was back there for two years and I went through three budget sessions. Secretary Benson appointed me as chairman of the budget committee, so I did have a hand in the budgets of the Department of Agriculture which, of course, included Extension. But we were engaged in budget-slashing, not adding funds. The expansion in Smith-Lever funds came after I left the department.

Scheuring: The Extension staff out here in California went over four hundred for the first time statewide just after these funds came out.

Coke: And on that, if I can "crow" just a little bit, it was the custom of Professor Crocheron to have an annual conference where he'd bring all of the Extension people together in one place. He had been holding this in Berkeley, but we decided when I came in that for the first annual conference we'd go someplace else. So we went to Asilomar, hoping that this would give us a relaxed atmosphere and a complete change. I had been out of Extension for

Coke: fourteen years. I knew only a few people, but I decided to try the stunt of being able to call every person in Extension by name and the county of their assignment when they came to the annual conference; so, I got photographs of each of the persons and worked over those photographs until at the annual conference I only missed names of three people.

Scheuring: They must have thought you were a miracle man (laughter).

Coke: I hope so, I needed a miracle about that time! I didn't think it could be done--and these three names that I missed, I don't think it was my fault--it was the pictures that were so poor (laughter). I couldn't identify them!

Scheuring: You put on several new specialists during this period, I understand?

Coke: Yes, I can't recall them all, but we put on an ornamental horticulture specialist, a viticulturist, and additional agronomy specialists.

Scheuring: How would you say California Extension compares with that of other states, just generally?

Coke: Well, I think generally it's in many ways superior to other states. Professor Crocheron had very high requirements for the training of the people that he employed; we kept data, and we increased the number of Ph.D.'s that we had, because the kind of agriculture we have here in California requires specialized training in order to perform. If we don't have good people, the farmers go to the experiment station for help rather than to the farm advisors. That reduces the research work which we so desperately need and is not a very efficient way to operate.

I know we have much more work done on the farms by farm advisors (with the assistance of the experiment station) in conducting field tests, research work if you will, but of course we have a different situation than in most other states, in that we have such a variety of crops, soils, and climate conditions that we have to test almost everything out locally in order to be sure that our recommendation is right. If you have corn and hogs, and that's all that there is in that state, you may vary recommendations from one part of the state to the other, but you're still dealing with corn and hogs. With 100, or 120 different agricultural crops, with the state 1000 miles long, with variations in elevation from 250 feet below sea level to 5000 feet above sea level, our problems of providing good, sound information for agricultural operations are far more complex than any place else in the whole country.

Scheuring: Do California farm advisors engage in many research projects?

Coke: Oh yes, very much. It's the field test type of research, not basic research, because they don't have the laboratory facilities or the training. For instance, fertilizer tests were conducted by the farm advisors under the direction of or the assistance of the specialists, and the experiment station. They had fertilizer tests scattered all over the state of California, and knew a great deal about the requirements of the various areas.

Scheuring: I read in the annual reports, too, that the soil specialists were putting together quite extensive research findings in various parts of the state.

Coke: Yes. And, of course, I felt and have always felt that the Soil Conservation Service was completely unnecessary, that Extension was doing and could do everything that Soil Conservation Service could do, and do it better.

Extension and the Soil Conservation Service

Scheuring: Could we talk a little bit about the relationship of Extension to some of the various other governmental bodies or systems?

Coke: The most difficult relationship that existed was the relationship between Extension and Soil Conservation Service. That service was established long after Extension came into existence; in many respects it duplicated the activities of the Extension Service. It was 100 percent federally financed and controlled service; in other words, its programs were all under the direction of federal people, not state or local.

Scheuring: Weren't there also state soil conservation districts?

Coke: Well, you're talking about something else now. There were state soil conservation district associations. Those were the lay people that the Soil Conservation Service got into their protective organization, but the Soil Conservation Service itself was supported by the federal government with federal money.

Soil Conservation did do some things--their basic project was that of mapping ranches, farms, and doing some soil testing, trying to give a farmer a map of how he should be farming his land. When I was in Washington, we had a study made of the effectiveness of these mapping programs, and we found most of the maps

Coke: up on the mantel; the farmer did not use them, and so it was a waste of time and money and effort.

Scheuring: Why, were they impractical to carry out?

Coke: Yes, they were impractical.

Scheuring: Expensive?

Coke: They were damned expensive, because it took a lot of people to do it.

Scheuring: But wasn't money supposed to come to the farmer if he agreed to the plan--he would get federal funds, or some reimbursement if he implemented the plan?

Coke: He got federal funds under a different program. He got money under Agricultural Stabilization and Conservation to do some of these things. Extension had the fear (and rightly so) that Soil Conservation Service was there to take them over; and Soil Conservation Service had fears Extension was going to kill them, and they might have, except for the fraternal organization that SCS built. They did what Extension had done in the early years of the Farm Bureau; SCS built the soil conservation district associations into a local support system, which grew to be quite powerful in some cases.

Scheuring: These were local people?

Coke: These were local people, yes. They were the directors of the local associations, and did a good job of lobbying for the Soil Conservation Service--but that's about all they did.

Scheuring: Well, the kinds of advice that an individual farmer got from the Soil Conservation Service, would that be the same kind of advice he might also get from Extension, concerning utilization of his land to the best effect?

Coke: Soil Conservation Service was limited. They did not have the University in back of them for research work, so the Soil Conservation Service was a group of people out in the field, yes, but with no association with a research organization providing them with up-to-date information.

The great strength of Extension was that they had in back of them, all the time, research findings from the University and USDA. That was the difference.

Scheuring: Then of course, I suppose, Soil Conservation Service wouldn't have the knowledge of the new varieties of plants that might do well in a given area.

Coke: They tried it; they had big tests here in California on varieties of grass, but it was primarily grass being used on soil reclamation projects. They did some testing, but they didn't have the kind of research backing that they would have to have had to be effective.

There are some USDA funded experiment stations, but in California they're all funded in connection with the University, and so all the experiment stations of USDA in California--I'm sure I'm right--are really supervised by the University of California. They may have USDA people at them, and they do get some federal money for these stations, but it's primarily state stations, under the control of the University which is the way it should be.

Scheuring: Could you compare Extension personnel with other university faculty? Are they comparable in abilities, for example, or in salaries and benefits?

Coke: Well, I think in salaries and benefits, yes--they're comparable because we work almost by the same rules and the same requirements, except that in the experiment stations and in the College of Agriculture other than Extension, they had a rule that they would hire no one but Ph.D's. We did not have that rule for Extension, and I think fortunately, because in the early stages we didn't need, and we couldn't get, that caliber of person. We had to have people who could work with people rather than work with things, but as time has gone on, the number of Ph.D.'s in Extension has increased.

Scheuring: What about the relationship between the county Extension director and the county agricultural commissioner? Is there overlap there?

Coke: No, there really isn't; there could have been, and at one time there was, great friction between the Extension Service and the state Department of Agriculture. This is one thing that I worked on; I saw the reason for the friction, so I dealt with the director of the state Department of Agriculture, who at that time was a fellow by the name of Jacobsen. We had no real problems. The Department of Agriculture is largely a regulatory body, they are not an educational body. They do not have funds, and should not get involved in agricultural research. The Extension service should not get involved in regulatory work, and so it was easy to put the line down between them. We tried to house them together, or close enough together, so that they could communicate with each

Coke: other. In most cases it worked out fine; there is no reason for conflict whatsoever.

Scheuring: The agricultural commissioner then would be concerned with things like weights and measures--that type of thing?

Coke: Weights and measures, disease controls, and the inspection service for shipping--shipping point inspection, checking the quality of grapes to see that it comes up to the standards, and seed inspection: all kinds of regulatory things.

Scheuring: You did quite a lot of traveling and speaking in these years, didn't you? Kind of public relations work for Extension?

Coke: Yes, that's right. As a matter of fact, I'd like to know--but I don't--the number of speeches that I have made over the years. This is particularly true when I was a specialist, and then director. I did not make many public speeches when I was with Spreckels, so that was fourteen years out, but other than that, I have done a great deal of public speaking. I'm not sure I'm too good at it, but at least I know one thing, and that is to make them short! I took the advice of a friend who said, after he made a speech, How did I do?" and his friend said, "Well, you did all right, really good, except for three things: first, you read your speech; second, you read it poorly; and third, it wasn't worth reading." (Laughter). So, I have almost never read a speech! But I did travel a lot, and I suppose it did some good.

Scheuring: What about the relationship between Extension and the Smith-Hughes agricultural teachers? Was there some history of a problem there?

Coke: There was some history of a problem; it's hard to figure out why. When I became director of Extension, we made a real effort to develop a good relationship. My father was a Smith-Hughes agricultural teacher and that helped me in developing good relations. We had the Future Farmers of America and 4-H, and they were supposed to be at different ages, but there was an overlap of ages, and there was an overlap of activities; therefore, some hard feelings. All it took was just sitting down and talking it out, and we developed an excellent relationship because we were, after all, dealing with different kinds of problems and different individuals.

It's true that there were some 4-H kids who were also FFA, but this was no problem. FFA had some support not available to 4-H, such as the Sears-Roebuck Foundation, but still no problem.

Scheuring: Where does the funding for FFA come from?

Coke: It comes from the federal government, under the Smith-Hughes Act.

Coke: The federal government pays to each of the schools which has a program, so much per head.

Scheuring: You mentioned the Sears-Roebuck Foundation; what kind of funding did they do?

Coke: They gave funding for FFA awards and banquets, things of this kind. Then we got the California Bankers' Association to get involved with 4-H, so everybody kind of went their own way.

Scheuring: I'm interested in the Sears Foundation because I read in one of Professor Crocheron's speeches that there was a so-called Sears-Roebuck "million," in the early years of the century, given to help support local county agents. Do you recall anything like that? It may have been only in other parts of the country.

Coke: I don't recall that, no. But you do bring up something that I don't think I've mentioned. Before a farm advisor was placed in a California county, Professor Crocheron insisted that they have a farm bureau organization. We'll talk more about that later.

Report on Agricultural Labor in the San Joaquin Valley

Scheuring: Obviously, one of your abilities throughout your long life has been to bring people together in a productive way to discuss problems. This volume that we have--a report on Agricultural Labor in the San Joaquin Valley: you chaired that project at Earl Warren's request, didn't you?

Coke: Yes. Earl Warren was in trouble. There had been some child deaths in farm labor camps . . . Malnutrition was supposed to be the cause; that was the charge, anyway. So Earl Warren decided he had to do something about it and he did, because politically he was very vulnerable at that time. He established a commission who made this study, and we came up with several recommendations in our 1951 report. This was a study made with public hearings, and we had a rather broad group of people including labor union people who were on the commission.

Scheuring: They were all appointed by Governor Warren?

Coke: That's right.

Scheuring: This must have been a very time consuming project?

Coke: Yes, it was. We had a pretty good staff that did most of the writing for us, although it did take quite a time to go through the whole San Joaquin Valley, and to hold these hearings.

Scheuring: Did you go to all the hearings?

Coke: I chaired them, yes. I thought it was important to get an understanding of this problem. I'm not sure that we did much good; I would have to refresh my memory on the recommendations, but usually this kind of thing results only in the archives getting something that is of historical interest.

Scheuring: You mentioned the cotton industry in reference to Extension . . .

Coke: Yes. Cotton, of course, is today one of the great industries of California. At one time we grew no cotton whatsoever, and then interest developed in it. But at the time Professor Crocheron was director, he discouraged any development of cotton in California.

Scheuring: Why was that?

Coke: He had seen cotton in the southern states, and it seemed to him that poverty always followed cotton--and, if it did in the south, why wouldn't it in California? So he actually vigorously opposed any research work, or any development of cotton production in the state of California. Finally, the growers got strong enough so that they got the USDA and Kern County to set up an experiment station at Shafter. W. B. Camp from the USDA was placed in charge of this. The Shafter station did the research work and the development of the varieties, and of course, developed the kind of industry that we have now, which is not a poverty industry.

Scheuring: Was this before you were Extension director?

Coke: Oh yes, this was long before I was Extension director. W. B. Camp, who is really the father of the cotton industry in California, is now one of the most successful farmers (he and his two sons) in the San Joaquin Valley. He did a great service to the state of California in pushing through the research work in cotton, which as I say was opposed by Professor Crocheron.

VI. CALIFORNIA FARM ORGANIZATIONS

Coke: I'd like to talk a bit about farm organizations because we have, in California, had so many organizations among farm people. Part of this has been necessity. We produced over 100 different agricultural products for the commercial market and were a long way from our major markets and we had to find some way or another to get our products to markets. Strong marketing organizations were essential. Farmer cooperatives were one answer. We're also a long way from Washington, D.C., and it wasn't possible for everybody that had a little trouble to go back and see the Secretary of Agriculture, so we set up organizations to deal with various problems. This is of special importance because of the federal government's control of agriculture starting in the early thirties.

The Los Angeles Chamber of Commerce agricultural committee once compiled a list of agricultural organizations in California and I think the number came to 142. I'm not surprised at that because everywhere we turn we seem to have an organization.

The Grange

One of the early organizations was the Grange. The Grange in fact is a fraternal organization. It was started and had its main membership for quite a while in the rural area, and they did discuss agricultural problems, but really the Grange was a fraternal organization. I got so that I wouldn't accept an invitation to go to a Pomona Grange meeting, because when I would get there at the appointed time, I would sit out in the hall until the meeting had progressed to the point where they would permit an outsider. I would then be ushered in with everybody (the members) sitting in chairs arranged around the four walls of the hall. That makes a poor place to speak. As soon as I got through, I was ushered out. A very inconsiderate way of handling a speaker who had traveled miles to be there.

Scheuring: Was this when you were director of Extension?

Coke: Yes. I finally just refused to accept Grange invitations.

The Farm Bureau

The organization that I really want to talk about, however, is the Farm Bureau.

Most people don't realize that the Farm Bureau actually is a creature of the Agricultural Extension Service. Professor Crocheron required a farm bureau in a county before he would assign a farm advisor to it.

His second requirement, of course, was that the county board of supervisors appropriate the money necessary to support office and the local travel expense of the farm advisor and other county staff. He was however, very insistent that the salary of the farm advisor be paid by the University because he wanted the University of California to maintain control of the farm and home advisor.

Scheuring: Who would have done the organizing of the farmers into county farm bureaus?

Coke: The Farm Bureau had an office in Berkeley (a state office) with a general secretary which, in the 1920s was Alex Johnson. The statewide office of the Farm Bureau was provided free of charge by the University of California. The University was vitally concerned and very involved with the organization of farm bureaus. These county farm bureaus had only one purpose and that was to be a vehicle through which the Extension Service worked, to bring about improvements in agricultural production practices and home life.

When I was assistant farm advisor in San Luis Obispo County, there were twelve farm centers that met once a month. That meant that Parker Talbot (who was farm advisor) or I, either together or individually, attended twelve evening farm center meetings every month. We were supposed to put on a program. But the farmers, their wives and kids, didn't come there always to hear us, they came because it was a social center. Most of them would bring food--they had cakes, pies, and coffee, and all the rest of it, and a good time. We were there to encourage them to listen to us describe some helpful things in the way of improved agriculture.

Scheuring: The farm bureaus had their own buildings?

Coke: No, they used school houses or other public halls. The Grange had its own buildings, very largely, but the farm bureaus used public buildings, even churches.

The Farm Bureau maintained its close relationship with Extension until the election of Ray Wiser as president of the state Farm Bureau, at which time they became involved in commercial activities. Wiser was a very ambitious person. He got the board of directors, whom he pretty much "controlled," to contract with the petroleum companies to provide petroleum to Farm Bureau members at some discount.

Scheuring: This would have been about what year?

Coke: This was in the late twenties. When they got into these commercial activities (petroleum, fertilizer, insurance, seed, etc.), then we in Extension had to sever our close contact with them. We could not stay involved because the Farm Bureau was then in competition with local businesses. Furthermore, many of us in Extension didn't approve of the use of the Farm Bureau in this way; we felt (and I still feel) that they would have been better off to stay strictly with agricultural practices and agricultural policies, than to get into commercial sidelines. They lost their real force in policy-making within the state, with the legislature, and with the congress, when they got into these commercial activities.

Scheuring: Was there some kind of an official directive that disassociated the Extension officially from the Farm Bureau as it came to be?

Coke: No, I don't think so; as Extension director, I still attended state board meetings of the Farm Bureau.

Scheuring: I was going to ask you that because I had read in the Hutchison memoir that, at least for some time, the director of Extension was also nominally the director of the Farm Bureau. Was that still true at your time?

Coke: I was an advisory member of the state Farm Bureau board of directors, but not more than that.

The Farm Bureau really developed because of the work of the Extension Service, and we used the Farm Bureau in our work. It was through them and their committees that we would carry on test plot work, cow testing, and septic tank construction work. They gave us the opportunity to work with the local people. In

Coke: addition, of course, we had the program of the home demonstration agents. The home advisors (as we now call them) met with really informal groups of farm women. They would give demonstrations on how to make dress forms and sew, upholster, and do all those things, and they gave instructions in nutrition, food preparation, etc.

Then when the Farm Bureau became active in commercial activities, as I said before, our relationships were more at arms' length, and Extension had to go its own way. It never recovered the kind of support that it had had from the Farm Bureau. I think Extension now is in real trouble, and my guess is, they'll continue to be in real trouble because they have little or no organized support. In the earlier days, when the Farm Bureau and Extension were so close, the president of the University even used the Extension Service to put pressure on the legislature to get money for the University. At that time, of course, the Extension Service was very popular, and the Farm Bureau had considerable political muscle.

Professor Crocheron had a unique way of advertising the Farm Bureau. Annually he would have what he called a "traveling conference." He would have the farm advisor or the assistant farm advisor from each county meet at some central place (usually at Berkeley) with three or four Farm Bureau members from that county in the car. They would travel as a caravan "traveling conference" for nearly a week in various parts of the state of California, making stops at which demonstrations were given by the local people under the direction of the farm advisor from that particular county that we were in.

Well, this got a lot of attention; when thirty or forty cars went rolling through the state, even at that time, when traffic wasn't so bad, it was dramatic--and caused traffic congestion! Professor Crocheron always arranged that the tour would hit Sacramento, too, and it was quite a show for the legislature and the governor, if he was there, to have this group of farmers there, all enthusiastic about what the University was doing through the Agricultural Extension Service. I am sure it was a great assist for the University budget.

Farm Bureau's had its heyday--I guess it's lost its clout, even though today between fifty and sixty thousand family members in California belong. The so-called farm bloc pressure that was brought by agriculture to get the kind of legislation both statewide and nationally which we had at one time is no more. In California, the last vestige of the farm bloc went out the window with the election of Governor Edmund Brown, Jr., because he appears to have no interest in and no allegiance whatsoever to agriculture.

Coke: That he got into this farm labor legislation was not for the farmer, it was for the farm labor leadership, primarily the Catholic Church. But I'll make an observation that his job involving farm labor is far from over. He's got problems ahead that make mere passage of the Agricultural Labor Relations Act look pale.

Scheuring: Could you compare California Farm Bureau to that in other states? Are there significant differences?

Coke: I presume so, but I'm not sure.

Scheuring: From recent experience in Illinois, I know that the Farm Bureau has buildings, at least in some of the counties, in which the Extension agents are housed.

Coke: That's right; there are all kinds of different arrangements. In some states the Farm Bureau really almost directs the Extension Service. The American Farm Bureau Federation has, up until recently, had a very strong voice in national agricultural policy. They have used their large membership to influence Congress. They have been blessed with some outstanding leadership, such as Charlie Shuman and Allan Kline, who were presidents in different periods of the American Farm Bureau Federation. They've had some very strong voices in the Washington office of the Farm Bureau, such as Roger Fleming. (I like Roger, and I think he's done a good job, but sometimes perhaps his voice was stronger than his judgment (laughter).) But Farm Bureau in general has had some real influence, much more so than the Grange.

Scheuring: Who can belong to Farm Bureau? Anybody associated with agriculture, or do members have to be producers?

Coke: In California they're supposed to be producers of agricultural products. This is something else they pride themselves on, that they have associate members, but the regular members are producers.

Scheuring: Is there still some relationship of Farm Bureau in California to Extension, or not?

Coke: I don't know; when I was director of Extension, I was only an advisory member of the board of directors of the state Farm Bureau. They didn't listen to me very much because they were spending most of their time discussing their internal problems and petroleum programs and other commercial activities.

Scheuring: They have a tremendous number of commercial things going on now. Don't they market . . .

Coke: Fertilizer.

Scheuring: All kinds of things like that, even a travel bureau?

Coke: Yes, even a travel bureau. They're just another commercial organization.

They organized into commodity groups within the state Farm Bureau, but the commodity groups have never really been very effective. Probably one of the reasons is that growers were better organized in special commodity organizations, particularly the marketing co-ops.

Marketing Co-ops

California has been outstanding in the formation of marketing co-ops; they've pretty much covered the field. Almost any place you look you have a co-op. Some of them have done exceedingly well, many of them have gone by the board. The whole philosophy of the marketing co-op organizations is changing. Formerly it was thought that all producers of a particular commodity ought to join that commodity co-op. The change now is that co-ops only want the most efficient farmers because they have to compete with commercial organizations. They cannot compete if their costs of operation are high because they've got a whole group of small, inefficient, costly people to service.

Scheuring: Surely it would be difficult to get every single producer in anyway, as independent as farmers are sometimes.

Coke: That's right, you never could get them all, but still that was the objective in the early days. At the present time, the more progressive (and more successful) of the farm co-ops are actually excluding people, and unless you meet certain standards of production and quality of product, you cannot become a member.

Scheuring: Do large corporate farms tend to dominate some of these marketing co-ops?

Coke: I am not sure what you mean by "corporate farms." But if you mean farms like Tenneco, the answer is no, because the corporate farm would have no business being involved in a farmer cooperative. They're large enough so that they can do their own processing and marketing.

In my opinion, the most outstanding farmer marketing cooperative is Diamond Walnut. This is because the president of Diamond

Coke: Walnut has made it so; he says, "We're a marketing organization, we've got to compete; we will take membership only if that membership can produce the quality product that we need to market, and produce it in the quantity that we need to have." I don't remember the figures, but I think something to the effect of ten thousand members at one time in Diamond Walnut have dropped down now to two or three thousand.

Of course this gets away from the old religious idea of cooperatives--the cooperative was almost a religion in the earlier days. People thought this was an umbrella we'd all get under, and we'd go to heaven in the co-op. Now a co-op is a commercial organization, and it puts money into--as Diamond does--research and development. It's developing new products, and is expanding its market, it's cutting its cost by putting in computer equipment, and doing all the things commercial organizations are doing.

Scheuring: Do members come in on a contractual basis?

Coke: Yes. I think Diamond signs them up for five years. It's not on a year-to-year basis. It used to be; a grower could get in and out of the co-op each year. If he could do better outside, he wouldn't join his co-op that year. If it looked like the co-op was going to do better, then he'd join the co-op. So it meant there was a fluctuating membership that the managers couldn't do anything with.

One of the most outstanding agricultural co-ops is not in California, but in the New England states; that is Ocean Spray Cranberry. Here was a co-op that had had its markets almost destroyed because of the government's action. The growers had used some spray-on weed control, and the government subsequently wouldn't let them sell that year's cranberries. It almost killed the whole co-op, and the producers. They hired a man by the name of Ed Gilsthorpe, who came from Colgate-Palmolive, as manager of Ocean Spray Cranberry. Within three or four years he brought them back to be a very profitable organization; he spent some money on product research, and instead of adhering to the old system of marketing fresh cranberries, which was to store them until Thanksgiving and Christmas and then put them on the market as fresh berries, he put most of his cranberries in juice and then made a cranberry "cocktail," which is 25 percent cranberry juice, the rest water and sugar. He sold that at a price that returned to the growers a large return. Well, he changed the whole concept of marketing for cranberries. And this was a co-op; but most co-ops will not put money into product research. Diamond is now in the process of combining with Sunsweet Growers, so that they will have the prune-walnut combination, and this may be very successful. It's under the leadership of Al Buffington, and if anybody can make it go, he can.

Scheuring: Is there any validity to consumerist criticism of co-ops that they are trying to develop monopolistic control of their product?

Coke: Well, this is of great concern to the Department of Justice anti-trust division, and I'm sure there's going to be action taken. Co-ops have up to now been immune from anti-trust action. But as they get larger and more successful, and as they try to combine, then I'm sure that government action will be taken, to limit the size.

Scheuring: Just taking Diamond Walnut Growers as an example, about what percentage of the total market in walnuts would they control?

Coke: It's my guess not more than 75 percent.

Scheuring: What about competing co-ops, are there a number of others competing?

Coke: Not in walnuts; there are no competing co-ops. The rest of the walnut production is sold through private brokers, private individuals, private firms. This is true of most of the other co-ops also.

In citrus, of course, which is one of the oldest, if not the oldest, of the California co-op industries, there are competing cooperatives there. But Sunkist is dominant.

Scheuring: Do you think it is healthy to have competing co-ops?

Coke: Sure, I think it's healthy to have competing co-ops, but I think it's healthy to have any kind of competition, except when they're competing against me (laughter).

Scheuring: What about milk producers? I think they have a number of different kinds of co-ops.

Coke: Oh, they've got all kinds. I can't keep track of the milk organizations. They do compete, but they've had this government control which has really prevented effective competition. The milk producers have put in a lot of money on political things, and are putting more money in advertising, which may be very successful in increasing the consumption of milk. Most co-ops, however, are not able to get their membership to forego the pleasure of some income in order to engage in advertising or in product development activity.

Other Farmer Associations

Scheuring: What other kinds of farm organization have there been?

Coke: As I indicated earlier, California's farmers had to work together; this was particularly true when it came to water development. While it is true that about half of the state's irrigation water is from wells (which, I, as an individual farmer, can put down and handle by myself), the other half is from water that's dammed up in the mountains and in lakes. Such irrigation systems are expensive operations, and therefore have required group organization. So irrigation districts have been formed throughout the state. They have bonded themselves to put up dams and then have tried to put in power plants and sell power, so that they could decrease the cost.

Scheuring: Membership in an irrigation district would be mandatory, right? I mean, if you had received any of the benefits?

Coke: That's right. If you live in a particular area, it's mandatory. When they bring water down through ditches, they can't leave you out and include me, because the ditch is there. If you benefit, you pay.

In addition to the water districts, we have weed control districts where farmers group together of necessity to try to control weeds. It doesn't do any good to control noxious weeds on one ranch if they're going to spread on another.

Scheuring: Would these districts be formed along county boundaries?

Coke: Pretty much so, but more around the area of the noxious weed that they're trying to get out.

Farm credit has been another area for organization. The federal government has the Farm Credit Administration, which is composed of three groups. There is the Intermediate Credit Bank which makes production loans to farmers; the Bank of Co-ops, which makes loans to cooperatives; and the Federal Land Bank, which makes loans for land acquisition financing. They have state offices, and state and local organizations, and so you have farmers belonging to one or three of these farm credit establishments.

You can almost name anything, and you find that there's a farm organization that's been involved in it, from real necessity, at least at one time. The problem is that, although it may have been necessary at one time to have farm organizations doing these

Coke: things, times change, conditions change--but the farm organizations don't change. The best illustration of this kind of lag are the organizations that support the county fairs.

County Fairs

The governor appoints a fair board for every county fair. They don't get paid, but farmers consider it a real honor to be a member of a county fair board. They can wear a badge during the fair, they can have preferred seats, and so on.

Scheuring: Does the county fair board always consist of farmers, or also business people?

Coke: Well, also business people now, but originally it was farmers, because these fairs were established not for the general public, but for farmers and their wives. They could bring their canned fruits and such and display them, and it was a real gathering place for the local community. It served a real purpose, because there wasn't much going on for rural people. They couldn't travel very much, they didn't have telephones, and only saw their neighbors once in a while. If the county had a fair it was a chance for neighbors to get together, and perhaps discuss common problems.

Today, with modern travel and communications the need for county fairs has, in my opinion, disappeared. But you can't convince people of that, including the legislature. When I was in Sacramento, our efforts to try to reduce the number of county fairs completely failed. The same number exists now that we used to have, in fact probably some more.

Scheuring: Does every county in California have a fair?

Coke: Not quite, but almost. Some of them have two!

Scheuring: But you opposed some of these fairs, at any rate, on economic grounds--that they lose money, or what?

Coke: Yes, they lose money. They're subsidized by the state. If the state withdrew its subsidy of the fairs and they were on their own, God bless them! But the legislature is lobbied by the directors of these various fairs and they still get their subsidy. In many places it's primarily a horse racing deal, and if you didn't have horse racing, you wouldn't have many people there.

The State Fair

Scheuring: What about the state fair; would you like to talk about that?

Coke: Yes, I'd like to talk about it, because I was involved in recommending a great mistake. When I first went to Sacramento as director of agriculture, the governor set up a commission to study the state fair and what we should do about it. At that time the previous administration had purchased a block of land out of Sacramento, several hundred acres, with the idea that they were going to build a new fairground.

Scheuring: Where had the fair been before?

Coke: The state fairgrounds were south of Sacramento on the road to Stockton.

Scheuring: Have they been disposed of since?

Coke: Well, yes, since; but it was quite adequate. Actually fairgrounds can get so darn large that you wear yourself out just walking from one place to the other. A little bit of money spent on the old fairgrounds would have modernized it, and it was, in my opinion, totally unnecessary to change the location.

This commission that the governor appointed studied the question, "Shall we go ahead with Cal Expo?" There had been so many contracts let on Cal Expo already that it would have created a real problem to pull back then, but we should have, because it's been nothing but a headache and a loss. We could have taken our losses then and put some money in the old fairgrounds, and we would have still had a state fair. I'm not sure a state fair is necessary, but I'd bow to that, instead of the highfaluting ideas that were developed for Cal Expo. I think now they've got it to where maybe it's liveable, but . . .

Scheuring: I understand it's a very big problem, the whole Cal Expo thing. This was actually planned out then in Governor Pat Brown's administration?

Coke: Yes, under his administration they decided to dispose of the old fair and build a new one.

Scheuring: The idea was that by making it a year-round facility, it might pay its own way?

Coke: Well, I don't know if anybody ever considered it paying its own

Coke: way; if they had, they wouldn't have tried it. But it was to have more year-round activity.

We tried to get the city of Sacramento to build its convention center out at Cal Expo, but I was told by the Sacramento Bee, "Don't you come up with that idea publicly, or we'll oppose you."

Scheuring: Why?

Coke: Because the Bee wanted the convention center in downtown Sacramento.

It's too bad, because the two facilities are only a few miles apart. It would have saved a lot of money to use Cal Expo as the convention center, rather than to build a new one in downtown Sacramento.

Scheuring: I have heard that there are so many long term contracts on Cal Expo, that there's just no way that the state can get out of it for some time to come.

Coke: That's right, unless they are paid off. It would have been cheaper, I believe, to pay off some of these contracts than it was to continue. I think that I was a party to a gross error. Ben Swig of the Fairmont Hotel was on the committee, and Ben had the good judgment to want to close it up and not go ahead--I wish I'd followed Ben.

Scheuring: There's no option now though; the state couldn't return to the old fairgrounds?

Coke: No, no.

More Farm Organizations

Scheuring: How do you describe some of these other general farm organizations? The Agricultural Council of California, for example.

Coke: The Agricultural Council of California is really a trade organization. It is designed to represent the co-ops of California in legislative matters. There's a National Council of Co-ops which meets together and works on a national basis. I think they serve a real purpose; at least they served a real purpose for me when I was in Sacramento, because I used the Council, the Farm

Coke: Bureau, and some of the trade organizations as sounding boards for me to know what was going on and to try out ideas with them. They were very frank and cooperative with me, so it was helpful as a state administrator to be able to relate to the Council.

Scheuring: What about Associated Farmers of California; is that a significant organization?

Coke: It was; during the twenties when there was a great deal of labor difficulty in agriculture, the Associated Farmers reached its heyday. They were supposed to have compiled lists of Communists, and they were supposed to be able to bring pressure on labor leaders. It was an anti-labor group that got a great deal of support from agriculture; it's gone by the board now except in name and a few members, and is certainly not as significant an agricultural organization today.

Scheuring: Did you have any dealings with them during the development of the Mexican national program? Were they operating then?

Coke: They were operating then, but no, I kept far away from them because they were too far to the right to get involved with and they frightened me. Actually there was some physical damage . . .

Scheuring: You mean violence?

Coke: Violence, yes, in some of the activities of the Associated Farmers.

Scheuring: Do you mean they roughed up people?

Coke: Yes.

Scheuring: What about the Council of California Growers?

Coke: The Council of California Growers was organized fifteen years ago because of the supposedly poor public relations of agriculture. Agriculture was not getting its message over to the urban people. I think the Council of California Growers has done a pretty good job. I think they have been able to reach the press people--the newswriters, the editors--and give them more of the facts of agriculture and its problems than they had before, so that they're less likely (the papers, the press) to condemn agriculture and take labor's or somebody else's side.

Scheuring: What about California Canners and Growers?

Coke: That's a co-op. I had a hand in the organization of California

Coke: Canners and Growers because I was with Bank of America at the time.

Scheuring: In reference to these farm organizations, I take it that any given farmer or producer, could have overlapping memberships in five or six of these organizations; he could belong to all of them, right?

Coke: Some farmers did belong to all of them. As a banker, I sometimes felt that farmers would rather go to organization meetings than stay home paying attention to their own business; therefore, they'd get into financial trouble. That's literally true. There was one fellow who was particularly active in a major co-op, actually one of the high officers, and he would much rather go to a meeting (sometimes he'd go the East on a trip), and his poor ranch up there was suffering because of lack of management. We were financing him at the time, so we threw him out.

Scheuring: Do you feel that there ought to be some reorganization in the field of farm organizations?

Coke: No, they'll cull themselves. Nature will take its own way of killing off those that are weak.

Scheuring: That's what's happening to the Grange, isn't it; it's just going down hill? I gather it's declined in California.

Coke: That's right; at one time when they had George Sehlmeyer as the master of the State Grange, a very vigorous person, he had the State Grange on the map, but Mr. Deavers, who is now the master, is a very quiet person. I can't imagine him stirring anybody up for anything.

Scheuring: What about the NFO--National Farm Organization--that's not really operating much out in California, is it?

Coke: Oh yes it is; oh yes. The National Farm Organization came in particularly in the Sacramento Valley. I'm too far away from them to know what's happening at present, but while I was in Sacramento--so this was only four or five years ago--they were active. They had quite a membership in Tule Lake and convinced the growers up there that they ought to hold their potatoes for a higher price.

Scheuring: Potatoes are about the cheapest thing you can buy in the store right now . . .

Coke: Yes; well, it didn't work. Their whole idea of controlling the market is something I don't understand; I don't understand how a

Coke: farmer could go for it. No. You can't control the market--there's always somebody that's going to sell out from under you, and anybody that thinks they're going to control the market with as many producers as there are in agriculture, they're just barking up the wrong tree--it can't be done.

Scheuring: But I suppose that NFO feels that they aren't going to have any clout unless they do indeed control the prices.

Coke: They convinced a bunch of growers that, but it hasn't worked.

Scheuring: Tule Lake is mainly where NFO has been active in California?

Coke: Yes, and down in San Luis Obispo County. The fellow who was at one time president of NFO came from San Luis Obispo County. There and the Willows area were where they seemed to have their greatest membership. If they've ever done any good, I don't know about it--they may have, but I wouldn't belong to the NFO if I was starving to death.

The Los Angeles Chamber of Commerce agriculture committee has been a very effective force in getting information to people, and giving a forum for agriculture in the south. I suspect this is a personality situation, that they've had good people in charge of that committee.

They had a committee in San Francisco at one time also which was really effective, and did a great job. Then, for some reason, the San Francisco Chamber of Commerce decided that they didn't want it anymore, and so they abandoned it.

Scheuring: It seems kind of odd, actually, to have an agricultural committee of the San Francisco Chamber of Commerce because, of course, there isn't any agriculture there in the city.

Coke: Yes, but there's as much agriculture in San Francisco as there is in Los Angeles. Then there is the state Chamber of Commerce, and an agricultural committee of that.

Scheuring: You've been a member of that, haven't you?

Coke: Yes; and that used to be an important group. There have been some good people in charge. All three of these have had ups and downs, depending upon who is in charge.

Scheuring: What would they do, for example, on an upswing?

Coke: Well, during the war, when farmers were having trouble getting

Coke: farm labor, the state Chamber of Commerce agricultural committee was effective in working with some of us who were involved in trying to get a job done there. But this was a time when we had A. J. McFadden, who was one of the agricultural leaders in Southern California, and an officer in the Irvine Company; he was a successful citrus grower in his own right, a very fine statesman, and became a Regent in the University of California by virtue of the fact that he was chairman of the state board of agriculture. We had Frank Shay, who was with the Sunsweet growers and was a leader there. We had C. C. Teague, who was also a real agricultural leader. These people did a great deal to direct and influence where agriculture was going, and they lived at the time when agriculture had a real voice in the political life of the state, as well as the nation. I suspect we will never really give them the credit that they deserve for their leadership.

Scheuring: Would you comment on commodity advisory boards to marketing orders or about the state board of agriculture?

Coke: Good, yes.

The State Board of Agriculture

The state board of agriculture has twelve members, each appointed for a four-year term but under a staggered arrangement whereby a new governor coming in takes about four years before he can clean out all the old appointees. In my opinion, the state board of agriculture is almost worthless, unless you have on the board, usually as chairman, somebody as strong as A. J. McFadden or Frank Shay--I don't know whether Mr. Teague was a member of the state board of agriculture at any time or not, but at least those two were.

Scheuring: What's the function of the state board of agriculture?

Coke: Advisory to the director of agriculture and the governor--advisory only. The usual format of a state board of agriculture meeting is for them to arrive once a month with the press in attendance because it has to be an open meeting; and the Department of Agriculture makes some reports about what's going on, thank you for coming, good-bye.

Scheuring: This was a legislative order, that there be a state board?

Coke: Yes, my guess is that agriculture insisted on it. It's interesting

Coke: that people consider it an honor to belong to the state board of agriculture. Why, I don't know.

Scheuring: They don't really do anything?

Coke: They don't do anything!

Scheuring: Who, traditionally, has had seats on the board? Any particular groups?

Coke: No, they've spread it around; in some cases, people who gave good contributions to the governor. Some pretty poor people have been on the board--but the board is ineffective whether they're poor or good.

Scheuring: Hasn't there generally been somebody from the academic side of agriculture? I was thinking of Emil Mrak.

Coke: The law required that you had to have somebody from the state college, and that you had to have somebody from the University College of Agriculture.

Scheuring: Generally the other members were producers?

Coke: Most of them.

Scheuring: What would you recommend as far as the state board goes? Do you think there is some function that they could productively perform?

Coke: No, I don't think there is; I think we've got plenty of organizations, and we could do without them--it wouldn't make any difference, except for the ego of the members.

Scheuring: You must have had a good many meetings with them yourself?

Coke: Sure, I met with them every month and I always dreaded it. In the position of director of agriculture, what do you talk about? You've got your opposition sitting there, you've got the press sitting there, and so you don't talk to the board about the kinds of problems that are really facing you because you get yourself in trouble by public discussions of something that people wouldn't really understand. So I dreaded the meetings because I didn't know what to do, except to kill time.

Scheuring: Maybe if they were not public meetings, that might have helped?

Coke: If they had not been public meetings, if we could have sat down

Coke: and really discussed problems with these people--the board members were fine people, there wasn't anything wrong with them, except that some were politically (for a while anyway) adverse to the administration, and we had some trouble talking to them about some of the problems. If we hadn't had the Brown law requiring these open meetings, and could have sat down and really talked--feel them out, and get them to tell you things--this would have been great. But when the press is there, they'll make an issue out of any little thing that may come up--you just don't dare take the risk!

Scheuring: Wasn't the use of pesticides a problem that was supposed to be discussed by the board of agriculture?

Coke: Yes, it was; the major thrust of that came when Jerry Fielder was the director. Jerry and the group did a beautiful job of putting this on a computer, to the point where we knew what pesticides were being used, and where, so that the problem of pesticide (as I saw it) kind of faded out. It no longer was a huge problem, because it was under control. Jerry did a beautiful job--that and everything else. I had the best directors of agriculture that you could possibly obtain, while I was in Sacramento.

Oath of office being taken by members of the Commodity Credit Corporation Board of Directors, USDA, February 1953. Left to right: Howard H. Gordon, John H. Davis, True D. Morse, Romeo E. Short, J. Earl Coke, and Ezra Taft Benson.

Earl Coke speaking at the Arizona Bankers' Association annual meeting, Phoenix, Arizona, about 1960.

VII. ASSISTANT SECRETARY OF AGRICULTURE, WASHINGTON, D.C., 1953-54

Scheuring: Mr. Coke, how were you first contacted about going to Washington under Ezra Taft Benson?

Coke: After his appointment as secretary of agriculture by President Eisenhower and before he took office, Secretary Benson toured the United States and visited with many people. That was the first time I met him.

Scheuring: Benson did spend a year in Berkeley studying agricultural economics, didn't he?

Coke: That's right, he was at Cal, but I didn't know him then. I assume that he was interested in me because of my position in California Extension. Professor Crocheron had developed an outstanding Extension Service; Benson had been in Extension in Idaho, so he knew it. He asked me to meet him in Salt Lake City, which I did the day after Thanksgiving of 1952, and he offered me the job of federal director of Extension.

Scheuring: And what were your reactions to that?

Coke: I turned him down. I felt that the job in California offered greater opportunity. I could do things that the federal director hasn't the opportunity of doing. So it didn't appeal to me at all.

I was in Washington for a meeting of Extension directors in 1953. The inauguration that year was, I think, the twenty-second of January and I was there about the fifteenth. Secretary Benson asked me to see him again. At that time he asked me if I would accept the position of assistant secretary of agriculture. I hesitated to accept and probably would have declined the offer, except for two people that I respected very much who really worked on me. One was Rhea Blake, president of the National Cotton Council, and the other was Roger Fleming, who was head of the Washington

Coke: office of the American Farm Bureau Federation. They urged me to take this position. I told the secretary that I would consider his offer.

The principal reason for my reluctance to take it was my wife's illness. A few months before Secretary Benson's offer the doctors had informed us that my wife had terminal cancer--and would not live longer than a few weeks. So I was not about to take her out of the San Francisco Bay area. She was a patient at the tumor clinic of the University of California Hospital. But by the time I got home, somebody had been doing some work on this problem, and there had been an arrangement made whereby all of her medical history would be transferred from the University Hospital to the Institutes of Health in Washington, and at the Institutes of Health they had agreed to take her on as a patient. So I knew that she would get the best care that there was in the world to give her. She was a very courageous person anyway, and so she said, "Let's go."

Scheuring: She wanted you to accept.

Coke: She wanted me to accept, yes. We owned a home in Berkeley. We decided to sell it with the assistance of our two sons, James E. and Thomas Richard, who were living in Berkeley at that time. I immediately went back to Washington and was there for the day after the inaugural to start work. She came later.

Scheuring: Had she been operated on here in San Francisco?

Coke: Yes, in Berkeley she had had both breasts removed; but that was quite a bit earlier than this. Fortunately the doctors missed their timing. She lived six years after they told us that she only had a few weeks to live.

Scheuring: Was she bedridden?

Coke: No, she was quite active during this time. She was in the hospital some, but we were able to make trips together and we did things together, and she went to affairs and was reasonably comfortable. I'm not quite sure how much she suffered because she wasn't the kind of person to complain. I think she got pretty lonesome in Washington because I wasn't home very much and she didn't have the number of friends that she had in Berkeley.

One fortunate thing was when her closest friend, Etta Krueger, came to Washington. Etta's husband was in the School of Forestry here at Berkeley, and since the U.S. Forest Service was to be under my jurisdiction and I knew little about forestry, I persuaded

Coke: the secretary to permit me to hire Dr. Myron Krueger to come to Washington and be my right arm for six months so that I would get better acquainted with the problems of the Forest Service. This gave Mrs. Coke a chance to have a friend there for the first part of our stay in Washington.

We made the move and I was glad to have done it, and I'm still glad that we went to Washington. University president Robert Sproul gave me a two year leave of absence, and told me that if I wanted to stay longer that I should resign. I would have stayed on had it not been for Mrs. Coke's illness; she got worse. We came home after the two years. She died shortly after our return in February, 1955.

At the beginning of the new administration I was the only assistant secretary of agriculture; it wasn't until later that Congress increased the number of assistant secretaries to four, and there were three more approved by Congress and appointed.

Impressions of Ezra Taft Benson

Scheuring: What were your impressions of Mr. Benson as an administrator?

Coke: He was a very considerate and nice person, but not a strong administrator. I imagine that as one of the twelve apostles of the Mormon church he performs beautifully. He had, however, I think, a more basic interest in his church work than in being secretary of agriculture. He worked hard at being secretary of agriculture except that his weekends seemed to be mainly involved with the church.

Scheuring: He had a sort of religious dedication to the task at hand. . . .

Coke: Very much so, that's right! Being an apostle of the Mormon church is a lifetime job.

Scheuring: Was he somewhat of an autocratic personality?

Coke: Only to the extent that he asked advice from no mortal person. So far as I know. As an apostle he felt he had supernatural powers, really, and so he did not use staff counsel and it was frustrating.

The departments that were under my immediate responsibility were not those highly political ones such as those involved in

Coke: acreage control and support prices, so I had less to do with him than if I had been in that area. I was given Agricultural Research, Agricultural Extension, Forest Service, Farmer's Cooperative Service and Soil Conservation Service. None of those were politically sensitive; the one that came closest to it was the Forest Service.

Scheuring: I understand Benson started staff meetings with a prayer.

Coke: Yes. Of course that wasn't unusual because the president also started his cabinet meetings with a prayer. At the first one Ike had Ezra do the praying, but I am informed that after the first one he decided that he'd have silent prayer because Ezra took too darn much time to pray (laughter). Ike had a lot of confidence in Ezra, and I'm sure conferred with him on many things that many of us never knew anything about. Ike had a religious attitude himself, so that he trusted in Benson's honesty and dedication, and there was a companion sort of relationship between the two.

Scheuring: I understand that several times Benson was on the verge of resigning, but Eisenhower would not let him.

Coke: Yes, and as a matter of fact, the press had him resigning or being fired many times. But the president would stay by him.

We got into all kinds of trouble as you do in the Department of Agriculture because it is one (or was one) of the most vulnerable jobs in the cabinet, in that you are dealing with matters that vitally affect almost everybody's life. A farmer's income is dependent upon some of the decisions made by the secretary of agriculture, and so there was great heat developed. There was no possibility of satisfying even a majority of people because conditions throughout the United States were so varied; any decision made had an adverse effect on somebody.

Scheuring: I saw a funny cartoon about Benson--he was the subject of a good many cartoons. Benson was up on the roof of a barn like a lightning rod, and Ike was standing down on the ground saying: "I'm sure glad you're up there, Ezra." Benson was being struck by one bolt after another (laughter).

Coke: That pretty well tells the story. Benson had a fundamental philosophy with which I agreed, and of course it was shared by President Eisenhower. There were two main elements: one was that we should have more economy in the federal government; the second was that we should get rid of the price support and acreage control programs. In this we were supported by the American Farm Bureau Federation who passed resolution after resolution that there should be a phasing out of the price support program. The American Farm

Coke: Bureau Federation is, of course, the largest farm organization in the United States. We worked closely with them. We didn't make much progress in phasing out price supports, however, because the congress didn't give us much opportunity.

Scheuring: There was still a large farm bloc. . . .

Coke: There was a farm bloc in the congress, yes, and they still had a strong voice. Many of the congressmen and senators from rural areas wanted price supports and were willing to accede to acreage controls in order to have price supports. The most vocal elements among the voters were the National Farmer's Union and the Grange, who pushed for more price supports.

Most of this came from the Midwest. As far as California was concerned, we could have done away with price supports, if the decision had been left to a vote by the total agriculture of this state. It would have made little difference to California. The rice growers would have objected, but that would have been the only large group in California to fight the elimination of price support. I do believe that the rice growers were riding on one of the biggest gravy trains in price support programs that occurred in any part of agriculture, and so of course they didn't want to do away with it.

Budget-Cutting

Our first job when we went to Washington in '53 was to review the Truman budget, which had already been submitted to Congress. Ike pulled it back and ordered all the departments to cut it wherever they could. Secretary Benson appointed me chairman of the agricultural budget committee. The budget at that time was about one billion dollars. That's small compared to what it is now! By working night and day and Saturdays and Sundays we took a hundred million dollars out of it. Later most of that money was put back in by the Congress because they were not in accord with the kind of cuts we were making.

Scheuring: What were these cuts? Staff or programs?

Coke: Programs: we had, for instance, a cut of two hundred and fifty million dollars in the agriculture conservation payment program. The whole program, as I remember it, was about eight hundred million, and we tried to cut two hundred and fifty million out of it.

Scheuring: That program had not been administered very well, according to some critics.

Coke: It was a lousy program, it didn't buy anything that was worthwhile. It just handed out money to farmers to do things that many of them were going to do anyway, such as putting lime on their land, killing weeds, things like that.

But there was political pressure on the Congress. Interestingly, a lot of it came from the lime lobby. The lime people had a lobbyist who was a terrific person, a fellow by the name of Koch, and he was able to marshall the kind of support to get the Congress to put back in the budget the two hundred and fifty million dollars that we had cut out. That even had the strong support of Republican Senator Aiken from Vermont.

It seems to be my lot, in governmental work, to work on budget cutting. At least I agreed with Benson and Eisenhower on their commitment to less government. I was happy that Mrs. Coke was unable to be in Washington at that time because we were working night and day to try to get this budget whipped around. There's one best way to learn about governmental departments, and that's to go through a budget with the various divisions coming in and trying to support their requests.

Reorganizing USDA

The second major operation that I got involved in was the reorganization of the U.S. Department of Agriculture. Let's confine ourselves for a moment to how it involves Soil Conservation Service. We got along well with the reorganization plan: we were required by Congress to present our plan to the Agriculture Committee of the Senate and of the House, which Mr. Benson and I did. We were making some major changes because we were eliminating some major operations in the Department of Agriculture, such as the Production and Marketing Administration.

One thing we were recommending was that the seven regional offices of the Soil Conservation Service be eliminated because we felt that we could get better results by having the federal S.C.S. office work directly with the states, rather than go through the district offices. We felt that the regional offices were not really necessary, but were just another layer of government. When the Soil Conservation District Association got wind of this, they raised hell, and they were on the verge of killing the whole reorganization plan. They started a letter writing and wire campaign.

Coke: The Department of Agriculture was getting fifteen hundred wires a day. We could see the whole deal go down the drain. (I should explain that the Soil Conservation District Association represented the Soil Conservation Service in much the same way that the Farm Bureau did the Extension Service.)

One Saturday, I was in my office and got a call from Sherman Adams who was assistant to the President. He said, "Earl, you're not to put the reorganization plan into effect unless you get the approval of Clifford Hope, who is representative from Kansas." I knew what that meant, because Cliff was scared; he was getting wires and letters and he thought this was a political thing that might pull him down. But I knew that if we had to get his approval, that he would say, "Well, this is October, let's wait until January when the new Congress comes back in," which would have meant killing the whole thing, because on a reorganization you either strike when you have the chance, or you don't go at all.

That afternoon I got a call from Allan Kline, who was president of the American Farm Bureau Federation. He said, "Earl, did you get an order from the White House on reorganization?," and I said, "Yes." He said, "Would you mind telling me what it was?," and I told him. A little later in the afternoon I had a similar call from George Aiken, the senator from Vermont. A little later, on Sunday morning, I got a call from Benson, whom I had been trying to reach, but he was up at Front Royal taking a vacation, and he said, "Earl, get the legal department together today (Sunday)." This was something for Benson, a Mormon, to get everybody together on a Sunday! "We're going through with the reorganization, we're going to put it into effect tomorrow morning," he said.

Well, what had happened was that either Aiken or Kline, or both of them, had contacted President Eisenhower and told him that if we failed in this, to go ahead with it right now, the whole reorganization plan of the entire Department of Agriculture would be out the window (which was true). And Ike said, "Go!"

Scheuring: They were for it, Kline and Aiken?

Coke: Oh yes, they were for it, they wanted us to go. So we got the legal staff in; we worked all day Sunday and Sunday night. We called a press conference for nine o'clock the next Monday morning, and the secretary announced the reorganization of the Department of Agriculture.

The feelings were so high, however, about the SCS reorganization, that when I came back to California as director of Extension, they tried to get Bob Sproul to fire me--the feelings on it at that time were just so bad.

Scheuring: But the SCS reorganization did go through. The seven regional offices were eliminated?

Coke: That's right. As a matter of fact, most of the reorganization that we put into effect in 1952 has remained that way in the Department of Agriculture.

Scheuring: Why did Benson feel that it was necessary to reorganize the department?

Coke: For several reasons: the main one was the Production and Marketing Administration had become a major part of the Department of Agriculture. In it they had research work and extension work, and they were given everything practically that was supposed to have been done by the rest of the Department of Agriculture. It was politically a powerful force that had been used by the previous administration; they could control the people in PMA. So we broke it up and eliminated it completely. We took what functions we wanted out of it and put them in the traditional units in the Department of Agriculture. The research work we put into the Agricultural Research Service, and so on.

Scheuring: Did this mean letting go a lot of people?

Coke: Yes, I believe we reduced the payroll by about one thousand persons. But in government, as everybody knows, you really don't let go, you "eliminate a position." The person eliminated still has rights and, therefore, he bumps somebody else, and so on down the line. A great number of people get involved in the effort to get rid of one person, to the point that the poor guy who does get eliminated is probably the newest one, and the least deserving to be eliminated in the whole group. It's a vicious sort of operation. It gives you absolutely no control over the people that you have in your agency or the department. . . .

Scheuring: You're talking about the civil service?

Coke: Civil service, that's right. I don't know how else to do it, but that's the way it's done.

I don't remember the number of people affected by the PMA cuts, but it was substantial.

Scheuring: What was achieved by the reorganization? Was it successful in terms of economy?

Coke: I don't think we brought about many economies in the USDA. Almost everyone was in favor of economy but every segment of the department had its champion who fought us bitterly in every attempt to

Coke: reduce expenditures in their areas of interest. We did try to centralize the research work throughout the department, and the marketing work through the formation of the Agricultural Research Service and the Agricultural Marketing Service. These were new divisions.

Scheuring: There was an administrative memo issued in Februrary of 1953 whereby Benson halted the consolidation of USDA services in states and counties. I understand that there had previously been directives that they would be consolidated in the same buildings. He halted this, is that correct?

Coke: Yes, that's correct. We ran into difficulties in trying to put USDA services together and so we figured that we had better pull back and let nature take its course. So he did halt consolidation.

That was a case of timing; you can't go too fast. We tried to move more rapidly than we should and we had to back up a little.

Scheuring: What were your major duties as assistant secretary of agriculture?

Coke: After the appointment of the other three assistant secretaries, which took place within a few weeks after we were in Washington, Secretary Benson divided the departments up between us and I had what was called the states' relations group. I had those that were involved primarily working with the land grant colleges and other agencies out in the states; this included the Forest Service, Agricultural Research Service, Extension Service, the Farmer Cooperative Service, Soil Conservation Service, and so on.

Scheuring: What were your duties, for example, in conjunction with the Forest Service? What tasks did you have there?

Coke: My tasks regarding the whole group had to do with trying to clear the way for any kind of necessary operations or getting policies established so the departments could function better. There were budgets to prepare and submit and policy matters that came up continually, and the directors or administrators of the various departments needed to get answers for them to operate. It was difficult to see Secretary Benson: he spent most of his time on the politically sensitive price support programs, and so left the operation of the departments under my jurisdiction to me. Since that was the case, we operated that way. If it was important policy, then I would try to find a time when we could go to the secretary to get an answer; if that was too far off we'd make a decision and hope it was right.

Benson did not believe in many staff meetings. If we did

Coke: have staff meetings, we'd talk about housekeeping matters rather than policy matters, even to the point that we, as staff, knew little about the policies of the department.

Benson's Speeches

Scheuring: Benson spent a great deal of time traveling and speaking, didn't he?

Coke: Oh yes, he was on the road practically all the time and he loved to do it and he did a good job of it. He was trying to sell the administration's belief in the elimination or decrease in price supports.

Scheuring: Benson's National Plowing Contest speech in September 1954 was quite a famous policy speech, I think.

Coke: That was quite a famous speech. The National Plowing Contest in the Midwest had provided a platform for President Truman and later for Eisenhower. The candidates for presidents, on both sides, had used the plowing contest two years before (1952) as a place for getting a large public. Benson spoke there in southern Illinois and it rained during the plowing contest. I don't know why I remember that except it made quite a mess.

Scheuring: Well, it had been a very dry year. There had been no rain for months. People joked that Benson made it rain, he's so close to God (laughter). But what was the substance of the speech he made? Were you involved in writing it?

Coke: I was involved in writing it. In fact, in establishing the subject for it. He told us one morning at what passed as a staff meeting that he was going to make this speech on such and such a date and that he wanted to talk about soil conservation. At that time conservation was a sort of religious word; everybody was for it, and if you could tie some program in with conservation, it was good. But Benson had not been talking about the policies of his administration, and so I said, "Ezra, the only way that I know what the policies of your administration are, is when I read your speeches. We don't talk about them at staff meetings, we talk about housekeeping things. I think that your staff here ought to at least know what you're thinking in the way of policy even though you don't ask us for assistance in the formation of that policy. I would suggest that at the plowing contest speech, that you make it a real fighting speech, that you really tell them what you believe in the way of policies and the way that you're going in the Department of Agriculture."

Coke: I thought he'd get mad at me and fire me, but he didn't. He said, "Okay, Earl, will you help write the speech?" and I said, "Of course." We asked four or five other people, and we got together in the Willard Hotel immediately following this meeting.

Among those who were there was Don Paarlberg who was, at that time, the agricultural economist for the Department of Agriculture. Immediately when we got into the room, Don went over and picked up a bible off the desk and started thumbing through it--looking, undoubtedly, for a quotation that he could use for the secretary. I became aware then that Don had been writing Benson's speeches because all of the secretary's speeches had contained bible quotations, and so with Don disclosing this then we knew who was really forming the policy of Department of Agriculture; it was Don Paarlberg.

Scheuring: Had Paarlberg written most of Benson's speeches?

Coke: Apparently he had written most of the speeches, that's right.

Scheuring: So he was the ghost?

Coke: He was the ghost, and as I told the secretary that morning, I said, "You're too busy to really give much thought as to what's in those speeches. I'm sure that as they arrive on your desk you might be able to cut some of the rough corners off, but most of it is set, and you take it. Therefore, whoever is writing your speeches is forming the policy of the Department of Agriculture." And it was Don!

Anyway, we got the speech, and I can't remember what it said, but it was a fighting speech and the secretary gave it very well. It really started the new administration off on the basis that we had a mission in life and we were going to do some things.

Scheuring: Did you help write other speeches at other times?

Coke: No, this was the only one that I got involved in. In fact, in this case I wasn't even asked to name the subject, I just precipitated myself into it.

Scheuring: Would you say you really shared the same basic political and economic philosophy as Benson?

Coke: Oh sure, that's right.

Scheuring: Did you disagree with him in any areas particularly?

Coke: Not particularly, no. As far as policy was concerned--the operation of the Department and the political programs, the legislative programs--I could go along with Ezra on what we were doing. No problem at all.

Scheuring: Benson put out a small book on farm policy in 1956, called Farmers at the Crossroads. I suppose that pretty well sums up his philosophy on agriculture.

Coke: I don't recall having seen it, but I'm sure I must have. . . .

Scheuring: It was an effort to really get to the farmers.

Coke: Yes, and that was a tough job. You had farm organizations that were against any price supports, and some that were for them. The National Grange was kind of on the fence, and I'm not sure it was very important anyway.

Scheuring: The Grange was generally for price support?

Coke: Yes. In theory they thought supports were bad, but when it came to voting they would put the pressure on for getting support.

Scheuring: That was true of the National Farmers Union too?

Coke: No, the National Farmers Union was out and out for price supports. They were battling the secretary continuously on the matter, and the American Farm Bureau Federation.

The American Farm Bureau Federation was able to maintain its policy of the gradual elimination of price supports. They arrived at this policy on a democratic basis. They took the matter up with their members in the various states, and gave them an opportunity to express their wishes, so that it wasn't a dictatorial sort of operation.

I have great respect for the American Farm Bureau. At that time, under the leadership of Allan Kline, and Charlie Shuman, they were trying to mold the kind of opinions that would keep agriculture on a sound basis (sound from my standpoint, anyway!). I was critical of the secretary for not getting in bed more with the Farm Bureau. I thought Benson could have been much more effective if he had, shall I say, used the Farm Bureau more than he did. But he kept at arm's length. Maybe from a political standpoint that was the right thing to do.

Scheuring: How much, say percentage-wise, would you estimate that the American Farm Bureau represents the farming segment of the nation?

Scheuring: Could you say they really represent a majority view?

Coke: I would say that they would. That's a tough question. The Farm Bureau could give you an answer to that, but they have as members people who are not true farmers. I'm not sure that depreciates the effectiveness of the Farm Bureau at all, but it all depends on what you mean by farming.

Scheuring: I would think that some of the members of the Farm Bureau may be in it for reasons of convenience: for example, in purchasing petroleum or fertilizer or things like that. Those members might not necessarily agree with what the national policy standards are.

Coke: I'm sure that's true. And I'm deeply concerned. Take our own state, which I know better, of course, than the national picture: I'm sure that probably a majority of the members of the California Farm Bureau Federation are members, not because of agricultural policy matters, but because they get some advantages on fertilizer prices, or on insurance, or petroleum prices, and things of that kind, which I think is not a very sound basis to have in an organization that's supposed to take a leadership position in policy matters. This, I think, is a great weakness of the Farm Bureau, and I'm sure that legislators recognize that when the Farm Bureau speaks, it isn't agriculture which is speaking, it's something else.

Foot and Mouth Disease in Mexico

Scheuring: What was the incident in Mexico City? In Benson's book Crossfire it was mentioned that you went to Mexico City to discuss foot-and-mouth disease.

Coke: Soon after we arrived in Washington there was an outbreak of foot-and-mouth disease in Mexico, down at Veracruz. This was the second outbreak in Mexico. They had cleaned up the first at a cost of, I think, eighty million dollars to the United States. Foot-and-mouth disease is a highly contagious disease.

Scheuring: Is it invariably fatal to cattle?

Coke: Well, not necessarily fatal, but it ruins them. We have chosen to control the disease in the U.S. by eradication of the diseased animals and cleaning up of the areas where they had been disposed of.

Coke: We've had it in the United States. We had an outbreak in California in 1922, and we destroyed many head of cattle here. There are programs in all the states set up to keep it from getting around. Some of the foreign countries, France and some others, have it and they live with it, but it's a real detriment to them. We have quarantines against animals or meat products coming in here that are not treated in some way or other. We were, of course, concerned about Mexico having it because we're right next door to them. The big outbreak which occurred in the early forties in Mexico was cleaned up--the Mexicans put some money into it, but primarily it was funded by the United States.

Scheuring: The disease never got over the border in that case?

Coke: No, they kept it over there, but it was widespread. When we learned that it had broken out in Veracruz in 1953, it was just one small spot down there which could have been cleaned up very easily. But not all the Mexicans were anxious to have it cleaned up. It was good to have some American money coming down there, and it employed a lot of veterinarians, a lot of people. Money was paid for the condemned animals, and so it wasn't an economic disaster for many people. Some people felt (or I felt) quite sure that the disease had been spread by people rather than just by chance--the whole picture that we had indicated that.

Scheuring: You don't think it was a matter of ignorance or indifference?

Coke: No, I don't think so. I think it was actual sabotage, and we could have cleaned it up for very little money. When we found out it was there, we reconstituted the international commission on foot-and-mouth disease with the Mexican minister of agriculture heading his group. I was the head of the U.S. group. At first we had a difficult time agreeing on anything except that the U.S. would pick up the check. We agreed to this because it was vital to our U.S. cattle industry to prevent the disease from becoming established in our herds. As time went on we couldn't get together and we couldn't get them to do things. We put veterinarians down there and the veterinarians were shot at. Fortunately none of them were killed, but they could have been.

Scheuring: Who sniped at them? Do you mean the Mexican farmers or who?

Coke: Who knows! Somebody didn't want them there, and so we had to move slowly and cautiously. We had meetings with the Mexican officials, and would work things out so that we'd put our money down there and we'd get the job done, get it cleaned up. Then we'd go back to Washington and find that the job of cleaning up and getting rid of the condemned animals wasn't working, and we'd start again. So it was a very hazardous situation.

Scheuring: Frustrating . . .

Coke: Very frustrating. Fortunately we had in the Department of Agriculture some very fine veterinarians who were on this commission with me. We did eventually get it under control at a very substantial cost to the United States.

One incident illustrates what took place. Dr. Robert Clarkson was the deputy director of the department's Agricultural Research Service. He and I made these trips to Mexico; we'd take the night plane to Mexico City, get there early in the morning. Whenever we went down, the first thing we'd do would be to visit U. S. Ambassador White, at his office. We'd check in to get the "lay of the land." Clarkson and I went down on one of these trips, and got to the ambassador's office. Ordinarily he was very friendly, very courteous to us, but this morning he was cold. He greeted us like an iceberg; we sat down and he said, "Let me read you the Mexico City morning paper: the headline says 'The Assistant U.S. Secretary of Agriculture Is Both Stupid and Insolent.'" And that was me! Then he went on and read the article--that I had reported to the Congress of the United States that this program wasn't working, that the Mexican officials were standing in the way of things. It was just condemning the whole program from the standpoint of Mexican cooperation.

Immediately we knew what had happened. We were required to make a monthly report to the Congress on the progress of the foot-and-mouth disease program, and we had told the truth, we had put down exactly what the situation was. This, of course, was supposed to have been a confidential report, but then somebody put it on the press desk. Of course it was marked "confidential" and when the press saw it, they picked it up. The article, reporting what we had told the Congress, appeared in the paper the morning we hit Mexico and it was pretty rough. We finally got it smoothed over and went on our way, but it was a narrow squeak to get by with it.

Scheuring: That probably is an anecdote that illuminates what Jack Pickett called your "meat grinder years" in Washington (laughter) at your testimonial dinner. I was going to ask you what he meant by that term.

Coke: That was a meat grinder incident for sure. Of course, this illustrates the problems that governmental people get into all the time; you do what you're supposed to do and something happens that throws it off balance. So you get condemned for something that you do very innocently.

Scheuring: Foreign governments have sensitive feelings about things like that.

Coke: Very sensitive.

Impressions of Eisenhower and Nixon

Scheuring: What were your impressions of President Eisenhower?

Coke: I enjoyed what I saw of him, which wasn't very much. I attended only one cabinet meeting for Secretary Benson. When the secretary was traveling, the undersecretary, True Morse, was supposed to go. I never knew how True got along, but the day I went over to the cabinet meeting there was a full contingent; Vice President Nixon was there, and Lodge was there, and so on down the line. An item was on the agenda for discussion which the secretary should have warned me about, involving agriculture. I didn't know the answer, I didn't know it was coming up, and of course I was terribly embarrassed . . .

Scheuring: Do you remember what the question was?

Coke: No, I have no idea now what it was.

Scheuring: But here was a case where you hadn't been sufficiently briefed?

Coke: I hadn't been briefed at all. But here's where Nixon knew something, and he came in and saved my neck. He indicated what he knew and said, "Isn't that right, Earl?" and so he made me look less stupid than I looked, which I appreciated very much.

Scheuring: What were your impressions of Nixon other than that at that time?

Coke: I had very little contact with him, but I had some, and I always enjoyed him. He was easy to deal with, easy to talk to, very knowledgeable, and I thought he was all right.

I had one more experience with Eisenhower; we had some trouble between the Department of the Interior and the army engineers having to do with the small watershed programs that the Department of Agriculture and the Department of Reclamation, and the Army Corps of Engineers were all working on. However, we were getting no cooperation from the army engineers (I can't remember what the problem was exactly). The undersecretary of the Department of Interior, Ralph Tudor, who comes from San Francisco (he was one of the engineers on the Oakland-San Francisco Bay Bridge), and General Sturgeon, chief of army engineers, and I were in the oval office with Eisenhower and with Sherman Adams sitting off at

Coke: the side. And it was very interesting at least to me to hear the president dress down the chief of army engineers. Ike may have done it more vigorously to him than he would anybody else, I don't know, because he was an ex-general. They knew each other's language, and he really gave General Sturgeon a dressing down and told him how he wanted it done, by golly. Everything was fine after that!

Scheuring: Were you impressed in that case with Eisenhower's ability to command?

Coke: That's right, and to get something done and do it with dispatch. He didn't mess around and take a lot of time doing it.

Scheuring: He leaned very heavily on Benson, I understand, because he was primarily rather ignorant about agriculture, wasn't he?

Coke: He didn't know a whole lot; and yes, he did lean very heavily on Benson and took Benson's advice on agriculture without any question at all.

Benson Policy on Agricultural Issues

Scheuring: Since you were in charge of farmer co-ops, could you explain why Benson was cool on rural electrical co-ops? I thought he was in general a strong supporter of co-ops?

Coke: Well, he was the executive secretary of the National Co-op Council before he became secretary of agriculture, and had a rather long history of working with and for co-ops. But the rural electrification program was quite a different ball of wax. I am not sure what the secretary's objections were, but I objected to these co-ops getting money at such low rates of interest, and extending their operation into urban areas. They maintained a very strong lobby, which caused them to do things, and put in installations, that had little to do with rural electrification. They had moved from rural electrification to rural telephones, and they were in both of these with justification as long as they were rural; but then they began to broaden out, and they would be doing electrification work for whole areas, including urban areas, and getting money at 4 percent to do it.

Scheuring: Did Benson think this was a kind of manipulation of money by the utility industry?

Coke: No, the utilities were deathly against the rural electrification program, because it was a government-supported program that could do things because it had cheap money.

Scheuring: Who were the people involved; the lobbying group, for example?

Coke: I can't give you the names of them, I should, but they were people who had gotten involved in this rural electrification and were running it.

Scheuring: Had it become a profit thing for them, the individuals?

Coke: I have no comment on that. But it went far beyond what it was designed to do and what it was supposed to do, at the expense of the public.

Scheuring: Benson attempted to get away from farmer committees on acreage allotment. I had thought that that was a good example of grass roots control of farm acreage, but it seemed Benson wanted to get away from farmer control.

Coke: He did not want to get away from farmer control, but he wanted to get away from the kind of appointments on the committees that had been made under the PMA (the Production Marketing Administration). These committees had been set up by the previous administration as a grass-roots politically active base to put over the administration programs. These committees became very powerful. They were all federally appointed by the secretary. Our program, however, was to make them locally appointed committees.

Scheuring: As I understand it now, they are farmer-elected.

Coke: Yes, that came about under Secretary Benson. That's the thing he was trying to do; he was trying to get them farmer-elected rather than appointed by the secretary of agriculture.

Scheuring: I can see that that would have been a tremendous patronage problem.

Coke: Yes, it sure was.

Scheuring: How do you feel yourself about acreage allotments or price supports?

Coke: I think they have been a great detriment to the economy of agriculture. The price of price controls is controlled acreage, and when a farmer is told what he can plant, how much he can plant, then he cannot operate an efficient enterprise. After all, the old law of supply and demand pretty well determines what price you get. If there's too much supply, the price goes down. Then you

Coke: reduce what you are producing. If you are an efficient producer, you can still stay in the game, but when you get government in here telling you the amount of acreage of the various crops that you can raise, then there's no incentive. The big incentive for efficiency in operations goes by the board.

Scheuring: Would you say that it depended, perhaps, on the level of government control? For example, it seems to be that in California that marketing orders have been essentially a way of controlling production, haven't they?

Coke: No, I don't think so. The marketing orders that I'm in favor of are not for controlling production; they are marketing orders that set standards for grading, quality controls, and so on. I'll say this, that the marketing orders that attempt to control production do more to hurt the business than anything that it does to help.

Wherever you leave it up to men to control supply, they manipulate, and you don't know what they're going to do next, so therefore, you can't judge; but if you leave it to the law of supply and demand, you know what that law says, and you pretty much can determine what's going to happen to your production.

Scheuring: Doesn't it get terribly complicated though when you're dealing in the world market . . . I was thinking of sugar, for example, as the most recent dramatic example; when the Sugar Act was lifted, the price of sugar went way up, and perhaps we're going to have an opposite reaction now when it drops down because acreage has been widely planted.

Coke: Sure, and I think this just substantiates what I'm saying, that when you are officially trying to control, as they did in the sugar industry, not only pricing, but acreage--and then something happens to the control mechanism, then all hell breaks loose.

Scheuring: Going back to Benson for a minute, what about the charges that he was oriented in terms of agribusiness rather than the individual farm producer; I'm thinking of the appointments that he made, for example, to the National Agricultural Advisory Commission. He was criticized by some.

Coke: Benson, being a church man, was, I am sure, very interested in individuals, but he had enough economic training and background to understand that the so-called family farm was not the solution for agriculture problems, and therefore, he didn't get out on the sawdust trail to try to save the family farm. He was more realistic than that, and if he appointed people that were not small farmers to any commission, he did it because he was trying to find

Coke: people who understood the whole picture, and that's awfully hard to find. One of the great problems in trying to do things on a national basis is that there are so few people who really have an understanding of anything other--I'm talking about agriculture now--than what happened on their farm . . .

Scheuring: Their own local area.

Coke: Their local area, and when I say local area, I mean their farm, because when you try to discuss with most of them the effect of something that will take place on anything other than their own farm, they're lost. You get only the reaction from them as to how this would affect "me" on "my" one hundred and sixty acres.

Scheuring: Do you believe that people associated with agricultural industries or enterprises have more overall knowledge of the market conditions than farmers themselves?

Coke: Very much so, and of course here's where some of our college people come in who are capable of understanding broadly what's taking place. People in the business of agriculture--I'm talking about the marketing areas--and even those who are producing machinery and supplies, get a broader look at agriculture than some of the people directly engaged in farming.

Scheuring: I understand that one of the big drives by Benson was to upgrade the efficiency of the Department of Agriculture and economize as you already mentioned, but wasn't it true that there were actually large USDA increases in staff and budget during the years that he was there?

Coke: After I left (laughter)!

Scheuring: Perhaps you should have stayed (laughter)!

Coke: Yes, we cut a hundred million dollars. I was involved in preparing three budgets for Benson, and each time, although we made substantial cuts, we weren't very successful in getting the Congress to accept them. But at least we tried. After the department had the budget, Congress kind of took the lid off, and it was a game as to who could get the most. I don't mean by that that I was the only one who was trying to cut down, no, but the situation changed and more programs were set up by the Congress for the department to do, and there were general wage increases and so on, so the budgets did increase.

Scheuring: Did you work on anything with Earl Butz? Wasn't he also an assistant secretary?

Coke: Earl was an assistant secretary during the latter part of my service. His responsibilities were in the area of price controls and supports. I would see Earl occasionally when Benson would get us together some mornings for prayers, and then Earl participated in the few times we had a chance to talk about the reorganization of the Department of Agriculture. But generally I saw very little of him. I have very high regard for Earl; I think he's doing an outstanding job as secretary of agriculture. I think his basic economics are sound, even if he does come from the Midwest (laughter).

Scheuring: He's in some ways quite similar to Benson, isn't he?

Coke: Much more direct than Benson. Earl is more inclined to call a spade a spade, and not call it a shovel.

Scheuring: Some people think he's always putting his foot in his mouth, like his comment about getting rid of some of the millions of dogs and cats in the United States . . . but that makes sense, I think.

Coke: I think a man's relationship with the press makes a lot of difference, whether they pick up these little slips that he makes and make something of it, or whether they like him and help him.

I had good experience with the press, though I was not in a position where there was a lot of political fire. There was a reporter from United Press assigned to the Department of Agriculture. I got to know him very well, enough so that he would come in and ask me questions about what was going on. He understood that we had decided to do thus and so, and I would say, "Bernie, you're much more familiar with this whole area than I am, I want you to tell me, should I tell you that story?" and the guy was so honest that many times he said no, even though it took from him a scoop that would have been good for him. But we worked on that relationship; if there was something that I could tell him, I sure would, because he kept me from doing some things that I might otherwise have done.

Scheuring: So you've made it a kind of a practice to cultivate a good working relationship with the press?

Coke: That's right. I feel that if you're frank with some people and you don't try to cover up--you tell them that you can't tell them--that you're in better shape than you are if you do try to cover up something, because they'll smoke it out.

Scheuring: Probably the more secretive something seems, the more challenged they are.

Scheuring: Did Benson have a hard time holding on to his top staff? The New York Times, when you left, said seven out of his top ten staff members had left in the first twenty months of the administration. That would seem to indicate that there was some dissatisfaction?

Coke: No, I don't think so. That was unfair on the part of the Times; there was Romey Short who died, he was an assistant secretary. I can't recall of any great exodus other than for good reasons, so my impression is that people were not dissatisfied.

Scheuring: And perhaps some people had come specifically for short terms?

Coke: That's right, and that always happens in a new administration.

Scheuring: That is really what happened to you, isn't it? You were there for two years, and two years only?

Coke: Yes. I probably would have stayed had my personal situation been different, but I was there for just two years.

The Forest Service

Let's talk about the attempt to consolidate the Forest Service with the Bureau of Land Management.

President Eisenhower was greatly interested in this himself, and he had set up, before he actually took over the presidency, a committee consisting of Milton Eisenhower (his brother), Nelson Rockefeller, and Arthur Fleming, who later was secretary of HEW, and asked them to take a look at federal government, to see where they could find areas of greater efficiency.

Of course, one that was immediately apparent was the consolidation of the Bureau of Land Management with the Forest Service, because they both do some of the same things. They both manage public lands and forest lands, but they use entirely different criteria for their management operations. The committee made quite a study, with my help and the help of the Department of Agriculture, and we came to the conclusion that we weren't smart enough to put it together. There were just too many things that had happened, too many policies that had been in long-time existence.

For example, the policy on the grazing rights--people had set up their whole ranching operation on the basis of the established

Coke: grazing rights. If those were drastically changed, so was their whole method of operation. So we decided that it wasn't worthwhile. (But I enjoyed that operation because it gave me a chance to deal with Nelson and with Milton Eisenhower, both of whom I had a very high regard for, until Nelson got into politics.)

We were dealing with some pretty powerful people--the U.S. Forest Service. I told Ezra Taft Benson one time that if he ever wanted to form a third political party in the United States, and he would give me the U.S. Forest Service to do that job, I could get it done! They are undoubtedly the most disciplined group of people that I've ever worked with. I have the highest regard for them; but sometimes they get off on the wrong track, two examples of which I'd like to mention.

One has to do with the Timber Resources Review, which is a review that the Forest Service conducts at . . . I forget whether it's five-year or ten-year intervals. They make a study of all the forest resources and develop a picture of future resources, the supply of timber for the future population of the United States. There was a timber resources review in process when I went to Washington, and the industry people were very deeply concerned, because all the timber resource reviews in the past decade or two had come out that there would be a shortage of timber, and that we had to husband this timber very carefully, and the only way we could do it was to put it under the control of the Forest Service. That was their logical conclusion. But the timber people said, "We don't think that that's the right conclusion; we don't think that we are running out of timber, we think that with the proper kind of management, and the kind of management that's now being given by private industry, including the more complete utilization of timber resources, that our supply of timber is on the increase rather than the decrease, and we'd like to have an honest TRR done."

So I proposed that the timber industry be given the opportunity of reviewing all of the Forest Service formulas used in arriving at their figures (because if you change your formula just a fraction, you can get a real loss or a big gain). This seemed to help. At least it helped the attitude of the people in the industry, and I think it helped the people in the Forest Service, because I was told that some of the previous reviews had been directed by the chief of the Forest Service to come out with certain answers, rather than to get the actual facts. Whether that was true or not, I don't know.

Scheuring: Told by whom?

Coke: Told by the people of the Forest Service. The chief of the Forest

Coke: Service wanted to show that the service should have control, so if the figures were varied, they would show that the supply of forest products was going to be short. The result of this TRR that was started while I was in there, but completed after I left, showed exactly what the industry people said it would, and that was that we have a large supply, a growing supply, of timber, that we're making more use of it, we're wasting less of it, and that we have no great calamity ahead of us insofar as timber supplies are concerned.

This was just honesty in doing a job, as well as changing techniques. This is where Myron Krueger was of such great assisance to me, because he could help us work this thing out.

The U.S. Forest Service was also noted for its strong feelings about this whole area of control. If you mentioned (as I learned to my sorrow) the word "regulation" to a person in the industry, they would see fire. They are regulated time-and-time-again by the Forest Service, who seem to feel that the only people who can do any good are the Forest Service, the forest industries are doing a lousy job. They're getting away from that idea now, because the experience of Weyerhauser and other large lumber companies shows that they really are doing a better job of timber management than the Forest Service. The Forest Service has to depend on public funds for what they do, and those are usually short.

But the people in the Forest Service have high morale: they're well trained, and they're a great bunch of fellows.

Bankhead Land Conservation Act

Scheuring: What was the Bankhead Land Conservation Act?

Coke: Through the Bankhead-Jones Land Conservation Act, the federal government took over (purchased) from farmers large acreages of land; they took it out of production. This was during the era of the winds, or the time of the dust storms in the thirties, when so much of the Great Plains area was blowing away. The acquisitions were not confined to the Great Plains: they also went south and took over land down there.

It was our philosophy that those Bankhead-Jones lands should be in ownership other than the federal government, and so we had a policy of selling these lands.

Scheuring: These were technically under the Bureau of Land Management?

Coke: No, they were under the Department of Agriculture. We also had the option of providing land to colleges for research work. We did this with Clemson Agricultural College in South Carolina. I remember that because it was kind of a dramatic thing where we turned over to them a large acreage of land on which they had been doing research work.

After I returned from Washington and became a vice president of the Bank of America, Clemson Agricultural College conferred on me an honorary degree of doctor of science. This was quite unusual, and I have no idea why they did this unless it was in gratitude for my assistance in getting them this body of forest land that they were using for their research and teaching. They never told me, and all I'm doing is speculating, but I was very pleased, of course, to receive the honorary degree.

Scheuring: They chose you rather than Benson?

Coke: Yes, because Benson was not involved in it, and it took some doing. Those things are not easily done. We had to get momentum going in order to put a deal like this over.

Observations on Washington Bureaucracy

Scheuring: Let me ask you a few general questions, if I may, about your Washington experiences?

Coke: Certainly.

Scheuring: I know your Washington years were exhausting because you were preoccupied and worried about your wife's health, but the experience in the USDA itself, was it rewarding?

Coke: Oh, very rewarding. I wouldn't have missed this for anything, and I'm not sure but what it was good for me to have been limited to two years. I think I got all the value that I could get out of an experience of that kind in two years. There's a lot of criticism about people in government, some of which is probably justified, but my experience in dealing with people in government, including the USDA is that the majority of them are really dedicated. There wasn't anything that I could ask, but what they would do, and do willingly, even though it took a weekend or something like that to get the job done. So I have a very high regard for the civil servants.

Scheuring: Do you think it takes a special kind of mentality to work well in Washington, D.C.?

Coke: I guess that's a good way to express it. You're such a small part in such a large machine, and it's awfully difficult to see that you have made a dent in what you plan to do, and for the most part you don't make much of a dent.

Scheuring: The frustration level is generally pretty high.

Coke: It's very high, yes. You just don't get jobs done like you want, and there's such a volume of paper that it almost surrounds you. As a matter of fact, one of the assistant secretaries appointed by Ezra Benson who had been president of the Arkansas State Farm Bureau, Romey Short (a great guy, and I enjoyed him), had never had experience in government, or the experience of dealing with a great volume of paper and getting decisions and getting things done, and it killed him. He just was so frustrated, and his desk would get piled up higher and higher and higher, and he didn't know how to unpile it. . . .

Scheuring: He had a heart attack, didn't he?

Coke: Yes.

Scheuring: But you hadn't really been involved directly in government yourself.

Coke: No, I had not been involved in government, but I had been involved enough with paperwork so I knew how to keep it flowing.

Scheuring: In the university bureaucracy (laughter)?

Coke: That's right, and so that didn't bother me, but it just took an awful lot of time.

Unfortunately, I think that bureaucracy (I don't care whether it's Washington or in Sacramento) is something that feeds on itself, that the incentive of people in a bureaucratic position is to do more, to get more people, because pay and position are dependent upon the number of people that you supervise and it is natural for an ambitious person to want to see his activities grow. In the government an aggressive individual is always trying for more and more in the way of staff. So I see no hope of reducing the bureaucracy, either state or federal, unless we get into a depression where it becomes the determination of a president or a cabinet officer or a governor as to how much staff they're going to have and how much they're going to spend on the bureaucracy--when the people take it in their own hands and say, "You've gone

Coke: too far, we're going to cut you back," and that takes a pretty drastic situation to make that work. But, until that time comes, I think we're going to see an ever increasing bureaucracy in their attempt to control the lives and destiny of people. I'm very much afraid of it; I really quiver sometimes, about the extent of this and how far it will go.

Scheuring: You want to have people in positions of leaderhip who are constantly blowing the whistle and saying, "Stop there, we haven't got enough money," and that kind of thing.

Coke: Reagan tried that and I tried to help. The Reagan administration was pretty successful in stopping the growth of state government.

Scheuring: Would you say that the political buffeting and the intense criticism that people sometimes come in for in political capitals, the state or the nation, tend to desensitize people to human needs?

Coke: I doubt it. But I think you can't be too overly thin skinned because you are in a fish bowl. This is particularly true when you deal with the economic lives of individuals as you do in the Department of Agriculture: you're really in a fish bowl, so every move you make is registered. I was fortunate (or unfortunate, as you visualize this thing), in that the agencies that were under my jurisdiction were not as politically sensitive as the price support programs, and therefore, we operated more on an even keel. We got less harpooning and so I had probably the easiest job from the standpoint of public relations of anybody in the secretary's cabinet.

Scheuring: How do you think good people can best be attracted to government service, or kept there?

Coke: In the first place, you hire the people that don't want to get into government service. Those people who are standing on your doorstep and want a job, for the most part, I wouldn't have. The people that really do the job, in my experience, are those that you've got to persuade to come into government service. They have something to offer, and you want that something and, therefore, you kind of twist their arm to get them in. Sometimes you make a mistake, of course, and some of them do not do well in this kind of environment, but for the most part if you have any ability at all in the selection of people, you can find people willing to sacrifice money and even their family and their relationships in order to do a job, and that is where you get the best government people.

Scheuring: Do you think that the infusion of fresh blood all the time is necessary, that a certain amount of turnover is a good thing?

Coke: Oh sure, because the danger in a bureaucracy is that you begin to think there's only one way to do things and that's your way; and then somebody else comes in and does things differently. The gripe that I have is that people stay too long in government. I'm very much for limiting the number of terms that officials can serve. With a governor changing, a president changing, you get a whole new group of people, and I think this is good.

Scheuring: What do you think is about optimum for an official, four or five years, or something like that? Or does that depend on the person?

Coke: Of course it would depend on the person, but I think the two-term idea is about right. You don't really get started in the first term, you've got too many people who are hangovers from the past administration that under the civil service program you can't get rid of. You can't move as you would like to, because they're still around you and still hanging on your back and holding you down, and so it takes almost two terms to clean out the old guard that was there, and give yourself a chance--you and your administration--to get your ideas into practice.

Scheuring: So you think the present political system operates pretty well, with a civil service class to lend a certain amount of stability, but continual administrative change coming with newly elected officials . . .

Coke: Right. I don't know what is better. I think it's a good system and I hope it continues.

VIII. RETURN TO CALIFORNIA: BANK OF AMERICA, 1955-65

Scheuring: When you returned to the Extension Service in 1954, you mentioned previously that there had been some pressure put on President Sproul to remove you from the directorship; would you care to expand on that?

Coke: This had to do with the Soil Conservation Service. During the reorganization of the Department of Agriculture I'd recommended to the secretary, and he and the Congress had gone along, that we eliminate the regional offices of the Soil Conservation Service, so that the federal SCS office would deal directly with the state offices. And we did this, but it stirred up the National Association of Soil Conservation Districts, which is the political arm of the Soil Conservation Service. They raised such a furor that we were almost prevented from getting any of our department reorganization put into effect, and would not have, had President Eisenhower not instructed Secretary Benson to put the plan into effect immediately.

The people in the association decided that they were going to get me. I didn't stay long enough in Washington for them to really mount much of a campaign, although they tried, but when I came back to California they decided they were going to try to get President Sproul to fire me as director of Agricultural Extension, the job I came back to. Through a couple of the state legislators, one of whom was on the national Soil Conservation District Association board, they brought pressure on the president to oust me. I don't know what happened, but I wasn't ousted.

Scheuring: Did he tell you about this?

Coke: Yes.

Scheuring: The fifties, of course, were good years for Extension generally in lots of ways; had Wayne Weeks, who was acting director during your absence, been in touch with you while you were gone, or did he do things in your absence pretty much the way you would have?

Coke: I'm glad you brought this up because I really haven't so far given the credit to Wayne Weeks that I should. I think he's a wonderful person, he's strong-minded, he's articulate. He and I have the same ideas of what place Extension should be in in the state, and nationally. So we were on the same wave length. When he became acting director, no, he did not contact me very often. He operated on his own, which was what needed to be done because I didn't have time to advise him and because he didn't need advice from me. The great regret that I have is that he was not appointed director of Extension when I left. In my opinion Extension would be a different animal today, had it been under the leadership of Wayne Weeks.

Scheuring: Do you have any inkling of why he was not appointed? It would have seemed logical.

Coke: It was very logical, but I do not know.

Scheuring: What kind of proposal did Bank of America make to you after you returned to California as director of Extension?

Coke: Jess Tapp had just been elected chairman of the board, and wanted me to take his place as the agricultural representative of the bank. When there were any agricultural matters, either within the bank or from outside, they'd go to Jess for advice. He was highly respected, a Democrat, had been in the USDA during the Roosevelt administration heading the special crops section. I believe he was first employed by the bank to operate a Kentucky-based tobacco company that the bank had taken over. Jess ran that for a while and got it straightened around. Jess had had a broad experience in agriculture and people liked him. When he became chairman of the board, this created a vacancy and he recommended that Clark Beise, president of the bank, invite me to join the staff.

His first offer came when I came home from Washington, and I turned it down. First, I was kind of worn out, and second, my wife was still very ill, and I didn't think I could do a job for the bank--I didn't feel like undertaking a new activity like that. After my wife died Jess came back and asked again if I would come. I was ready then for a change.

Scheuring: You had had previously no banking or financial kinds of experience?

Coke: I had no experience as a banker, and Clark Beise knew this, as did Jess. Clark said, "That doesn't bother me, we've got a lot of bankers in the Bank of America, but we want somebody that can take a look at the bank from an outside point of view, and so we're

Coke: interested in you. We don't want you to become a banker."

Scheuring: When you went to the bank in the summer of 1955, you had no actual predescribed duties, is that right? You had kind of carte blanche as to what you were going to be doing?

Coke: I didn't have any duties, nobody assigned anything for me to do. I was taking the position of Jess Tapp here in San Francisco, which was really generally in charge of the agricultural business of the bank. Not specifically in making loans; it was public contacts, dealing with the state and federal farm programs and things of this kind, a general sort of P. R. program. Jess having been selected to be chairman of the board, headquartered in Los Angeles, was in general responsible for the bank's activities in the south, and they needed someone in San Francisco to head up the agricultural program of the bank. So it was a very general assignment--nothing very specific--I had to make my own way in it. I didn't know quite how to operate at first.

They brought me in and they put me in the loan supervision department to sit around and see what they were doing. The loan supervisors weren't too interested in educating me because they had their jobs to do and they didn't know what I was being educated for, and I didn't either.

So instead of sitting around in the office in San Francisco I got in my car and started visiting the branches throughout the state. This was unusual, because not many people from San Francisco headquarters visited them to try to find out what problems they had. They would come out in the state for specific reasons of checking the loan offices or some mechanical problems of the bank, but to have somebody from the bank who seemed to be interested in them and their problems was unusual.

Scheuring: What was your title specifically? Agricultural officer?

Coke: No, I was just vice president of the Bank of America.

Scheuring: You came right in as a vice president?

Coke: As vice president, yes. I didn't have to work my way up, all I had to do was to find a place in the bank where I could be effective. I found that as a result of my branch visits, and the fact that they had appointed me a member of the general finance committee, that it was possible for me to exercise some influence.

The General Finance Committee and Bank Loan Policy

Coke: One of the great advantages that I had was that they appointed me to serve as a member of the general finance committee. The bank has several levels of people empowered to make loan commitment. A branch manager is given a lending limit. He can lend up to that limit without asking anybody's advice; then, loan supervisors have a lending limit; the junior lending committee has certain limits. But the senior finance committee has no lending limit, they can go the full bank.

Scheuring: The senior finance committee is the same as the general finance committee, and that is state wide?

Coke: Yes, that's right. There are eight on the general finance committee, which met four mornings each week at 9 a.m. We were given documents the day before at four o'clock, not later than four, giving details as to the loans that were on the agenda for discussion the following day, so that we had a chance to know what we were going to consider. In the meetings we would bring in the loan supervisor who was in charge of that particular loan and together we would discuss the loan and make a decision whether or not we would go with it, or whether we would make some conditions. So this gave me a real opportunity to have a handle on what was going on, even though I had no banking experience, and it gave me status in the bank (which was for me the most helpful thing that could have been done).

Loan policies are mostly the result of day-to-day decisions made by lending officers. Loan policies are made by the daily actions that take place, and the top of that action is in the general finance committee. This committee established the bank lending policies in general and delegated to other committees and individuals specific lending authority.

Scheuring: Was there a general agricultural loan policy?

Coke: Only as we made loans. People think that you sit down and say agriculture is going to get this or going to get that, but it doesn't work that way. It evolves from the actions that take place. There were lots of agricultural loans made by branch managers or by the junior finance committee. Only the larger loans, those in excess of the limits of others, came to us. But we pretty much set the tone for other loans.

Scheuring: What you discussed, then, in these meetings was the actual financing of various large operations?

Coke: Yes, including foreign, government and private financing. Whatever was above the loan lending limits of the lower committees came to the general finance committee, in addition to policy matters.

Scheuring: During that time, did the finance committee make large commitments to agricultural financing?

Coke: Oh yes. Whatever was needed at the time. I was on that committee for ten years. And in the ten years many big loans were made, some of them agriculture and lots of them not.

Scheuring: I should think there must have been quite an effect on agriculture from the decisions that were made in this finance committee over a ten-year period.

Coke: That's right. When I first joined the bank, I was bothered by a general opinion that I'd run across as I'd go out in the country (I spent a lot of time in the country with the branch managers and with clients, because that's where the real action is). There was a prevalent feeling that the Bank of America was a "fair weather bank," that it would only make loans when things were good. This came about because during the depression in the thirties the bank had taken over lots of acreage. Many farms had gone broke. But the bank did a job for which it did not get much credit that it should have. The bank did a lot of rehabilitation--putting a farmer back on his land and helping him to manage his operation so that he could regain control of his ranch. Yet the bank got a reputation of only making loans when conditions were favorable. And so we tried in the bank to get away from that and to convince people that we were there through thick and thin.

In agriculture, particularly, a bank can't turn a person out, or not go ahead with lending to him just because he has had a bad year. Because this is the nature of agriculture--one year is good, the next year is bad. This is not necessarily the fault of the operator. Weather situations or disease situations can damage even the operator who has done a good job. If, in spite of good management, a farmer has gotten into financial trouble, then it is our business in the bank to continue to finance him.

Scheuring: So it wouldn't be a year-by-year decision, but a history of several years on which the bank would grant a loan.

Coke: That's right. I think we got that message over to farm people not because we said it, but because we did it. We stayed with people in agriculture over periods when it was pretty risky and pretty thin picking, but they were customers of ours and we were going to help them come out of their difficulty if it was at all

Coke: possible. In most cases it was. It might be just a question of management on the part of the farmer.

Scheuring: Did the bank have people who would give agricultural kinds of advice to farmers who were in difficulty?

Coke: Yes. In addition to the branch officers, we had an appraisal department in the bank which was outstanding. These men were really trained in agriculture as well as other areas. They were helpful in many ways. It was their job to work out the budget for every loan and to recommend the basis on which the branch manager would recommend that the loan be made. They became pretty expert in knowing what should be expected of a farmer and what he could do to improve himself. So in that regard, we had expertise within the bank that I'm sure was helpful to the branch managers. In addition to that, of course, we used the Extension Service very heavily.

Scheuring: For advice on particular types of crops that were suitable?

Coke: That's right. If the farmer was in difficulty we might recommend that he see and work with X farm advisor if he was a specialist in cotton or whatever the problem was. Extension did a great job.

Scheuring: In terms of decision making for loans at the bank, how do the district managers or the branch managers make loans to individual operators? Is there any direction that comes down from upper levels, or does the manager pretty much use his own discretion as to loans in his own area?

Coke: He uses his own discretion up to a certain lending limit.

Scheuring: But in overall terms of policy--the bank, for example, watches the trends in agriculture very closely. It puts out an annual report of economic outlook and that sort of thing, and so specifically the bank is right in there watching all the time. What about things like surpluses of grape acreage and nut acreage, for example, that we seem to be seeing now. Would there be any direction from the upper levels down to the lower levels?

Coke: Apparently there wasn't much (laughter) at the right time.

Scheuring: The top bank officials never said, "Don't finance any more grape growers!"?

Coke: I don't know whether they said this or not. But they should have, because all you had to do was take a look at the grape acreage and you could see where it was going. On the other hand, I'm

Coke: sure there are many other customers who planted grapes, who have come out of this all right because they've got a peculiar situation of their own. The varieties they put in are varieties that are in demand for the varietal label wines. Production is good. For a branch manager to sit there and say, "I won't loan just because there is a lot of acreage," is about as false as you can get. So local bank managers wouldn't be dictated to, by any policy decisions from the upper levels. If they have taken direction from the top, they've done so since I was in the bank. We never said to a branch manager, "Now, before you can make a loan on grapes or whatever it is, you have to check with us at headquarters." The branch manager had a lending limit, and could loan up to that limit. He would base his loans on the budjet that was prepared by the appraisal department, so he had a pretty sound basis for making these loans.

Scheuring: Were loans often turned down?

Coke: Yes, there were a number of loans that were turned down. This was no free ride for anybody. We put in requirements; if the borrower did not like them, he took his loan to somebody else. So we'd lose loans to other people because they were either more liberal or were willing to loan on a different basis than we were.

Competition in Agricultural Financing

Scheuring: Has there been much competition between financing institutions for agricultural business?

Coke: The bank was in competition with the governmental loan operations, particularly the Bank of Co-ops, the Federal Land Bank, and the Intermediate Credit Bank, as well as in competition with other banks. However, during my time we did not have much competition from other commercial banks because they were not interested in agricultural loans, and did not have people on their staff who understood them. The majority of the agricultural loans in California were made by the Bank of America. As I say, competition we had was largely from these quasi-governmental agencies.

Scheuring: Was that quite a significant competition, would you say?

Coke: Yes, the competition was significant for using the "influence" of the U.S. government. Their cost of money was generally low. They got money cheaper than we frequently were able to get ours, because they were quasi in government. But we gave service and we had well-trained (for the most part) agricultural people, or

Coke: people who understood agriculture out in the field. I want to talk more about the training of these people a little later.

When a problem came up such as it did about financing of a new cooperative, California Canners and Growers, one would have thought that logically they would have gone to the Bank of Co-ops--but the Bank of Co-ops was unable to see how this could be done. As a matter of fact, we struggled with it for quite a while.

Scheuring: Did production credit associations offer any significant competion?

Coke: Oh yes. They were very competitive. After all, production credit associations got their money from quasi-governmental operations; this applies not only to the production credit associations but to the Land Bank and the Bank of Co-ops. They could go into the market and buy and sell bonds at rates which made it difficult for the bank to compete with. While there was no direct connection between the Farm Credit Administration and the government (insofar as the government supporting their bonds), there was an understanding in the minds of most people that if anything really happened to the Farm Credit Administration's bonds, the federal government would step in and take over. And so these agencies had the backing really of the federal government. For that reason, many times they got lower interest rates than the bank had to pay, and so they were really competitive.

Scheuring: Production credit associations would be more involved in short term loans.

Coke: That's right. Generally. The production loans.

Scheuring: What about savings and loan associations, were they ever involved in agricultural financing?

Coke: No. Not at all.

Scheuring: Or insurance companies?

Coke: Oh yes. Insurance companies were mainly involved in real estate loans, long-term land purchases. We did some of it, but we were always glad if an insurance company would step in and take over a real estate loan from us, because that was the kind of money they had. We didn't want to be tied down for the long-term loans that the insurance companies were willing to take.

Scheuring: Were their interest rates about the same?

Coke: Yes. They were comparable.

Scheuring: There has historically been lots of opposition in the state (and on the national scene as well) to the Bank of America's so-called "aggressiveness" in getting new customers. In 1962, while you were there, the bank had what was called an "agricultural development program" which seemed to encourage an aggressive role in competing for agricultural loans. There were lists of potential customers and so on which were passed around among officers of the bank. How did that work? Did the branch managers sometimes make the first contact with people or did they wait for agricultural people to come in?

Coke: The branch managers would do all the contacting they could. We never felt embarrassed about going out after the business.

Scheuring: So it was aggressive.

Coke: It was the policy to be aggressive. We wanted good business. We wouldn't take business just to have it. What we wanted was good agricultural loans in the state of California, and we got a lot of them.

Scheuring: Is that aggressiveness, say, not typical of some of the other institutions?

Coke: Oh, yes. It was not typical. In fact, we had the field almost to ourselves except for production credit associations. And of course production credit associations were a creature of the farmers themselves, in that they owned the associations and therefore had to stand behind the loans they made; and that made them a little less aggressive than otherwise, because they would have to make up the loss (if there was any loss) on a loan which the association had put on the books. So, yes, we were definitely aggressive.

Take a look at our advertising program. Over the years we have pushed the fact that the bank is there for agricultural business.

Scheuring: But they don't just wait for it to come to them?

Coke: No sir (laughter)!

Scheuring: It was interesting to see the list, which was quite extensive--actually there were two or three such lists in your file--to see that these people were being actively solicited. I never thought of bankers that way too much.

In the years after the war, banks in California offered higher interest rates on the whole than in other states. It

Scheuring: amounted to about one-half percent on large loans. Did this bring in outside-the-state capital for investment in California agriculture? It would seem that the state would draw in large amounts of capital for investment if interest rates were higher.

Coke: I can't answer that. I don't know. We had times when we had plenty of money to loan, we had times when we were short of money. So our aggressiveness would have to be tailored to the availability of money.

Scheuring: Two more questions on loan practices in general. Don't large borrowers generally get lower rates of interest?

Coke: The large borrowers--not because they are large, but because they have a credit rating--get a preferred rate. A small borrower can have the same credit rating and he'd get the same rate as a large borrower. So the interest isn't based entirely on size, although it is true (chuckle), in spite of Governor Brown, that there is more efficiency in many large operations than there is in most of the small ones.

Scheuring: I wonder if the lower rates of interest, the preferred rates, wouldn't affect the scale of operations in agriculture, encourage the expansion of operations.

Coke: I would turn that around the other way.

Scheuring: A question about branch banking: since branch banks can make many times higher loans than unit banks, because they have more resources to draw from, doesn't the growth in branch banking tie in directly with the growth of large-scale agricultural operations? In other words, is the historical decline of small unit banks tied in with the growth of larger holdings in farm operations?

Coke: I don't think you can necessarily link them. I do think the great strength of Bank of America in California has been that it was a branch banking system, so that lending was not limited by the resources of the local community bank.

The Bank of America went to Tule Lake and our agricultural loans at Tule Lake were far in excess of what they could have been in a unit bank. Wherever there was need, the bank could put its resources in those areas.

Scheuring: Actually, in 1973, the Bank of America funded La Cooperative Central, which is a strawberry growers' co-op composed of seventy Mexican-American families in Salinas. The bank funded them for half of what they wanted to buy in existing operations, and they were federally funded by the Opportunity Funding Corporation for the other half. It's an example where the bank has been willing to speculate

Scheuring: on people. The co-op is only three years old or so, but it has been very successful.

Coke: Yes. There has been lots of that. As a matter of fact, my rating of a bank manager was based on whether he had made some losses, if he was willing to take some chances, willing to help people even though it wasn't a gilt-edged loan.

Scheuring: I have heard that some hundreds of thousands of agricultural acres are held in trust in Bank of America trusts. What has been the policy of administration by the bank in this area?

Coke: I don't think your figure "hundreds of thousands of acres" in trusts is correct.

Scheuring: Well, that information came from a trust officer of Bank of America in the Sacramento region; he informed me that they had something like 165,000 or 175,000 acres of agricultural lands in trust in that particular region.

Coke: Well, that's later information. That certainly was not true when I was with the bank. I was pretty close to the trust department and I was critical of them because I felt that the trust department was not set up to manage agricultural property, and that their first activity should be to get rid of it. So, if they accumulated any acreage, it was after I left, because it was not their policy then. I thought they could have done a better job for agricultural trusts if they had had more capable people managing that trust for the time that the bank had it under control.

Scheuring: How much actual day-to-day advisory function has the bank had in the managing of trust property? It's always leased out, of course, but hasn't the bank reserved the right to make certain kinds of decisions?

Coke: I wouldn't want to have my agricultural property in a Bank of America trust because I don't think the bank, even now, is capable of providing the management necessary for an agricultural operation. That's a pretty harsh statement but that's the way I felt about it. You'd better have people who understand agriculture before you lease your property out or you get in trouble.

Efficient Farm Size

Scheuring: What about the bank's role in developing long-term trends in California agriculture? The bank has sometimes been criticized

Scheuring: as having supported the expansion of corporate farming at the expense of the little farmer, for example.

Coke: I'd like to speak about that. Of course, these terms corporate farm and family farm and little farm and big farm are all just too loosely used. Many of the so-called family farms are incorporated; most of them should be. To say a corporate farm is something bad is bunk! To say that we ought to maintain family farms--well, one of the largest farms in California is a family farm, run by one owner, Russell Giffen. He didn't do the physical work, sure, but from one standpoint that was a family farm. What we need to talk about is the efficiency of the unit rather than the actual size.

Scheuring: Of course, this would vary from crop to crop.

Coke: Of course. With strawberries on a five-acre farm, you've got an enormous investment and gross return, and the possibility of a very large net return. But if you're dealing with cattle, grazing cattle, than you need maybe forty thousand acres. So the matter of size is really a false issue, and has become a political football, which I dislike very much.

Now the Bank of America did not oppose or promote corporate farming as such. We have many of them in the state that were doing a bang up job of managing and producing and marketing their product. And after all, I think that is what we're all interested in, although with some of the bleeding hearts around, I'm not too sure they'd agree. But we're all interested in having food and fiber, particularly food, produced at as low a cost as possible, for two reasons. One, so that we may always have an abundance of food. Someday we may not, but up to this time in this nation, we have, I guess, always had an abundance of food. (I'm questioning whether in the early days that was always true.) And second, that we can produce with efficiency, so that we can reduce the cost. Families can then spend less on food, yet get a better diet. This abundance is for the benefit of society generally. Of course this has been true historically that it has taken less and less of an American family budget to feed itself.

Scheuring: In terms of efficiency, though, haven't some studies shown that sometimes the smaller, individually-run farm can be more efficient in terms of input/output than very large company-run operations, which are sometimes used as tax shelters and write-offs?

Coke: You've said it better than I have. Because again it isn't a question of size, it's a question of efficiency. There are many smaller farms that are much more efficient than these big operations. When I went with Spreckels Sugar Company, they farmed a

Coke: great deal of acreage. And they did it out of necessity because they were having difficulty getting sugar beets; in order to be sure of a supply they bought land or leased it--mainly purchased it, and raised a great tonnage of sugar beets on their own farms. They got out of that for two reasons. One was that, as agriculture became more productive, there was resentment on the part of the farming community that a big corporation would be in the farming business, particularly when we had acreage allotments and they would go to the company farm. So Spreckels got out of that. But the other reason was that we couldn't produce beets as cheaply as the small farm. We did pretty well at the agricultural end producing efficiently, but the overhead was terrific.

Scheuring: More waste?

Coke: Yes, so great that we might think we were coming up at the end of the years with a profit, but we never did because the overhead--that, is, the company's total operating overhead--ate us up.

Scheuring: Whereas the smaller operator might sometimes really have to watch those pennies because they came out of his own pocket.

Coke: Right.

Scheuring: There was a letter in 1956 from a reader of the Oregon Grange Bulletin, who wrote to the president of Bank of America as a small stockholder, to complain that you had said in a public speech somewhere that 14,000 small farms had disappeared in California over the past decade or so, and that you thought that was to the good. The writer remarked that you must have given a million dollars of adverse publicity to the bank by saying that. Do you recall that incident?

Coke: No, but I'm not surprised. I don't know whether we lost a million dollars because of that or not. My guess is we didn't.

Scheuring: Lawrence Pritchard, vice president in charge of public relations, wrote quite a diplomatic reply.

Coke: Oh? (Chuckle) It wasn't Jess Tapp?

Scheuring: No. Did you ever see that letter?

Coke: No. No.

Scheuring: It's in the bank archives.

The Giannini Foundation

Scheuring: In 1928, A. P. Giannini gave a million and a half dollars to the University of California for the Giannini Foundation for Agricultural Economics. What do you think has been the influence of this institution on California agriculture?

Coke: Well, first, it provided a very fine building for agriculture on the Berkeley campus. Giannini Hall is the third of a complex of three buildings on the Berkeley campus having to do with agriculture. The first building was Agriculture Hall, and then came Hilgard Hall and then Giannini Hall.

As to the effect of the Giannini Foundation of Agricultural Economics, I'm sure that it has had a very profound effect on California agriculture. Its heyday was in the twenties and thirties. At that time, it provided real leadership in agriculture.

The first director of the Foundation, if I remember correctly, was Claude Hutchison. Then came Howard Tolley, who was a very profound individual who probably did a good job; but the real blossoming of the Giannini Foundation came under Dr. Harry Wellman when he became director. Dr. Wellman brought with him, or had in the Foundation, some very outstanding people who contributed much to the understanding among farm people of the economic processes that they had to go through in the marketing and distribution of their products. And so agriculture looked to the Giannini Foundation for leadership, for analysis of its problems, and it therefore couldn't help but be a great influence for good in the agricultural development of that time. I take my hat off to Harry Wellman for his ability to surround himself with capable people and to obtain the confidence of the agricultural people of California in such a way that he was the leader, a strong leader, in California.

Scheuring: Would you say that the Foundation was as effective also during the fifties and sixties?

Coke: No. It became less effective as time went on. Of course I can't recall all of the time that Harry was in charge of it, but after he moved upstairs, then the Foundation started to deteriorate and finally got to the point where people paid little attention to it. This, of course, is a matter of people on the staff. Some of them got sick, some of them got old. After all, it was not heavily financed by A. P. Giannini. He gave the building and a small endowment which was used for staff, but so far as the financing of the Foundation was concerned, the endowment really, in the later days, had almost no influence on the work of the

Coke: Foundation. Research had to come from university support or from grants made by other sources. But Giannini's money provided a seed that was most helpful. He should get real credit for it.

Scheuring: Was there any direct connection between the Bank of America and the Foundation or was that endowment an outright gift?

Coke: It was an outright gift. There was no connection whatever. No control. Nothing.

Scheuring: During your time with the Bank, was the Foundation kept track of?

Coke: Not very much, because at that time the money provided by the Foundation was so small that it had almost no effect and at that time the Foundation had deteriorated in its effectiveness.

Scheuring: You mentioned, I think, in our last conversation, that there was also a second Giannini Foundation. Do you want to identify that?

Coke: There was a Giannini Foundation within the bank itself, and that had to do with helping personnel do various things--internal, completely.

Key People in Bank of America

Scheuring: Who were some of the chief personalities in the bank during your time? Maybe you could describe Jesse Tapp's career in the bank, for example.

Coke: Well, Jess Tapp had quite a career, of course. He came in at a time when the bank was doing more for agriculture than it ever had before. A. P. Giannini had taken a real, direct interest in agriculture and therefore had a direct interest in Jess. As I recall it, Jess' early responsibility to the bank was to take over a tobacco company in Kentucky and pull it out of financial difficulty and I gather he did that very successfully. He then came back to California and really took the leadership in the bank when it came to agricultural matters.

Scheuring: In the thirties he had come from Washington, where he had worked in the New Deal administration, hadn't he?

Coke: That's right. He had worked in the New Deal. Jess was quite a Democrat, he always played that side of the field. He was enthused about the Roosevelt farm program.

Scheuring: Mr. Tapp came into the bank as a vice president just as you did, didn't he?

Coke: Yes. It was when they elevated him to chairman of the board that I joined the bank.

Scheuring: You filled his place?

Coke: Well, roughly, yes. Jess never really relinquished what he had been doing, so I had to make my own niche, which was all right. No problem there. Jess was president of the state board of agriculture for a while, which isn't any great honor, in my opinion.

Scheuring: Would you comment on some other perhaps significant names. Clark Beise . . .

Coke: Clark was president when I joined the Bank of America. He was new as president at that time. He had been a national bank examiner and had caught the eye of A. P. Giannini. They elevated him to president after he had been in the bank at other activities for a while. He was a very nice person, but a little hard to deal with, only because it was hard to know quite what he was thinking. To get direction out of him was just a little difficult. But I enjoyed Clark very much. The person who had preceded Clark as president of the bank was Carl Wente. Carl was just the opposite of Clark Beise. He was a boisterous, strong, pushing type of individual.

Scheuring: Did he come from the vintner's family?

Coke: He was from that family--but he had no business connection with it. When he was coming up as a young fellow he decided to go the banking route; his brother Herman decided to go the grapewine route and so they just parted ways and didn't join together at all in their operations. Carl was not president very long; I'm not quite sure what he did was so constructive, but everybody knew him and everybody knew what he stood for because he was vocal. He was in the bank at a time when the bank had taken over a lot of agricultural property and had formed a holding company, California Land, to handle this property. The bank had no desire to own farm property, or any other property for that matter. Their objective was, if they had to take land over because of loan problems, to try to get it out of the banks hands as quickly as possible. So the real effort of California Land was directed toward either getting the farmer who had lost his ranch back on it and operating it, or getting somebody else to come in and operate it. Bank of America never did desire to become a large land owner.

Scheuring: In the early years of the thirties, the bank actually lost quite a bit of money on farming operations in California land because some of the properties were so run down. Then of course, with outside money, the properties gradually got into better shape.

Coke: That's right. That was a tough time. Prices were down. There wasn't anything you could turn to that was profitable and of course that was the reason the New Deal came in with all the programs worked out for agriculture at that time.

Scheuring: Was there some resentment against the bank among the rural people? When the prices got better and the whole economic situation improved in the late thirties, the bank was able to dispose of quite a few of these properties at a profit. Weren't some California farmers a little bitter about this?

Coke: They were very bitter, including my dad. I'm not quite sure why, but my dad owned property and farmed and apparently did his business with Bank of America in Ontario, California, but something happened (which I never became aware of) which turned him against Bank of America. When I went with the Bank he was very unhappy.

Scheuring: I have a couple of other names here. Burke Critchfield?

Coke: Yes. I didn't know him too well. He was in California Land and was ahead of me, so I have no comment to make on him.

Scheuring: Tom Clausen?

Coke: Tom, of course, is president of the bank at the present time. I think he is doing a magnificent job. He's got a whale of an empire to handle, all the activities. I think I told you that in the job that Clark Beise gave me, trying to pick out and give special training to one hundred bank officers that were most likely to be the senior officers of the future . . . Tom Clausen was one of that group that I picked. That's no credit to me because anybody would have picked Tom!

Scheuring: Was Chauncey Medberry also one of the hundred?

Coke: Chauncey was one of them too. Really outstanding. He is chairman of the board at the present time.

Scheuring: Rudy Peterson?

Coke: Rudy was with the bank earlier than my association with it. He then left the bank and went to the Hawaiian Islands and became president of the Bank of Hawaii, and then came back to the Bank

Coke: of America again, as vice-president, acting vice-president, but I'm sure with the understanding that he was to be president. In the meantime, he'd lost his wife. When Rudy first came back from the islands he had just recovered from hepatitis and he took an apartment in the Comstock Apartments, where I also lived. So we became very well acquainted. I enjoy Rudy very much. He is a level-headed, vigorous, understanding person and I think did a great deal to start the bank on the route that it is now on, which Tom Clausen followed up so well.

California Canners and Growers

Scheuring: Did you ever participate in any decisions of the executive finance committee that were in some way turning points for California agriculture?

Coke: Oh, that's hard to say. I'm sure the formation of the California Canners and Growers was a turning point in California agriculture.

Scheuring: And you were quite involved in that?

Coke: Oh, I was very much--in fact, I don't think it would have come about except for my participation. I was not a banker and I couldn't put the technical policy together but I could see the opportunities there. So I got Ben Edwards, who had earlier been the head of the loan section of the Bank of America, and a few people like that around, and sat down with the principals in the effort to put this co-op together. And we worked it out. But these were real technicians--they knew how to get it done. I had the good sense, if you want to call it that, to let them do it and they did.

Scheuring: Who were the principals involved?

Coke: The two private canneries that actually sold their operations to this California Canners and Growers were Filice and Perrelli Canning Company of Richmond and the Richmond Chase Company of San Jose. These two companies handled a wide variety of products. They canned a full line--vegetables and fruits. These were long established proprietary canning companies. Anybody would have said you're crazy if you had at that time said they would join in a cooperative operation. Actually they had over the years fought co-ops.

Scheuring: What made them decide to merge?

Coke: Well, economics. It seemed like the thing to do. I think they could see, as I saw, that proprietary companies were going to be in more and more trouble because of the growth of co-ops, and that it would be beneficial to them as a proprietary company to turn their operations over to a co-op.

Scheuring: And they'd get tax advantages certainly . . .

Coke: Yes, there were tax advantages on this. There were volume advantages too. And they got a good price, because the co-op didn't really care how much it had to pay to get these canneries. So they got a very good price when they sold.

The financial part of this was handled by the Bank of America. Many other people in the bank spent hours in trying to work this thing out, and they finally did. So California Canners and Growers has been a real factor in California agriculture ever since.

Scheuring: Who came up with the proposal for its formation, do you recall?

Coke: I think it was Ralph Bunje who first proposed the consolidation. I talked to my friends in the bank and they said it couldn't be done because Ed Richmond was such an individualist he would never sit still for any co-op. But it worked, and they are now the largest canner group in the state.

Scheuring: It's gone on to expand tremendously.

Coke: Yes, it's a big operation. It's the biggest probably in the world.

Scheuring: You yourself encouraged the merger of private companies into a cooperative?

Coke: We did, because we felt that this was the trend of the time and that it was good for them.

Cal Can has been very successful, though they've had some problems as all do. One of the big problems resulted from their canning a large volume of fruit using cyclamate as the sweetener. They got their pack for the year canned, and then the Food and Drug Administration refused to permit anyone to sell products containing cyclamate.

Scheuring: Did they use cyclamate with their whole line, or just for diet foods?

Coke: They used it for their diet foods, but it was a very large amount. There was, I think, thirty million dollars involved.

Coke: Cal Can had been putting up diet products, low calorie, low sugar content. They had gone to the Food and Drug Administration and told them what their plans were for canning that year, and how much cyclamate they were going to use, and what products they were going to put it in. And Food and Drug approved of it.

After they got it canned, however, then Food and Drug closed down on the company and said they couldn't sell products that were canned with cyclamates.

Scheuring: This was because of subsequent discoveries by the FDA?

Coke: There had been some research work which they said showed that it was apt to cause cancer. When you started to take a close look at the evidence, however, they really didn't have any proof that cyclamate was a dangerous product. What they did was to feed a huge quantity of cyclamates to a few rats, and then if there were some lesions, they'd say it was dangerous. It was absurd, and as you know now, there is a possibility that there's going to be permission to use cyclamates again.

Scheuring: But California Canners was caught . . .

Coke: They were caught with a large supply.

Scheuring: What did they have to do, dump it?

Coke: No, if you consider the large hole that it would take to bury millions of cans! They sold it on export. Everybody knew what they were getting; other nations didn't have a crazy Food and Drug Administration like we have. So they got rid of some of it, but it cost them an immense amount of money. I would imagine they still have some of it in storage.

Of course the Food and Drug Administration put in this ban on the selling of products with cyclamate without adequate information. This was when Bob Finch was Secretary of HEW; Food and Drug is in that agency. I've always charged them with getting excited and not using good judgment.

But that was a whale of a blow to impose on Cal Can, who had the major amount of diet product and therefore was subject to some real losses.

Scheuring: Were there other co-ops that you were involved in the financing of?

Coke: Oh yes, we were involved in the financing of (one way or another)

Coke: most of the co-ops in the state. We did not get the financing of Tri-Valley or Diamond Walnut; I worked hard on both of those, because I thought particularly Diamond Walnut was such a superb organization and did such a wonderful job that I would have liked to have had them on the list for Bank of America, but I was never able to make it. But we did finance a large portion of the co-op operations in the state of California.

Training for Bank Personnel

Scheuring: Did you have regular training programs for bank personnel?

Coke: Yes, there were several training programs carried on over a period of years. But let me set the scene here.

When I went with the bank, as I mentioned before, the greatest criticism I got from customers was that we were a "fair-weather bank." This criticism came about because during the depression the bank was credited with calling a great many loans and, therefore, causing the owners to lose their property. The bank did less of this than some people think. They were not given the credit they deserved in maintaining as long as possible the owner on the ranch, trying to work out a means by which he could continue to operate.

Scheuring: In most cases would that have been a matter of trying to persuade the farmer to lease the land which was actually owned through foreclosure by the bank?

Coke: No, it would mean that they gave more money to operate the place, but to operate it under supervision, so that there was a chance for the farmer to make a profit. There were an awful lot of poor farmers in the state.

Scheuring: I understand that was W. B. Camp's function for Bank of America during the depression, to give agricultural advice.

Coke: That's right, and he helped them so that we'd have a chance, the farmer would have a chance, of working out his losses.

Scheuring: Of course that's a little before your years with the bank, but it's interesting that evidently during that depression period the bank had a good deal of decision-making power as to what crops were actually grown.

Coke: Oh yes, really the farmer who had owned the property was in a position where he was working for the bank, and the bank could then tell him what to do.

Scheuring: I gather there were vineyards ripped out, and orchards, and so on.

Coke: Lots of changes were made. But some farmers became very successful operating under these conditions. It was a rough time for everybody, not just farmers.

Scheuring: What happened to most of these ranches, some of them very small and some of them large, that were foreclosed during the depression? Did they go back into private hands later?

Coke: For the most part they went back into private hands. Actually, in many cases they stayed in the hands that had had them, they did not change ownership or management, they were still the same people on these farms. It wasn't the exodus that is painted by many people; many small and large farmers were able to continue.

Scheuring: The bank was just overseeing their management for a limited period?

Coke: That's right. I'll mention one case, which is a big one, and that is the case of Russell Giffen. Russell's father, Wylie Giffin, was a very large farmer (laughter), or that is, he farmed a fairly large acreage--and I'm talking about thousands of acres--in the San Joaquin Valley, and Wylie went broke. Russell, his son, took over and, with the help of the bank, met financing. Russell pulled out of that, paid all the past indebtedness, and at least as long as I was with the bank, was doing quite well. He owned, I think, about seventy thousand acres, and rented about the same amount, and did one of the most beautiful jobs of farming that I have ever seen. When you visit his property, as I have done, there are no weeds in the fields or on the roadsides. Sometimes I thought maybe he spent more money to make it look good than he was justified in doing on the economics of it, but his economics were pretty good. But the point I'm trying to make is that the bank stayed with him. That was a large operation; but the same thing happened with many small operations.

Scheuring: Does the bank actually own agricultural acreage today?

Coke: No. It has never been bank policy, even when they foreclose, to keep it in bank ownership.

Scheuring: Let me backtrack here. How did you plan the training program for your agricultural lending officers?

Coke: If a bank's going to do a good job in agriculture, it must have people who really understand what it's all about, because it requires a different type of financing than in industrial or commercial operations. So we conducted various kinds of training operations.

The bank had an agricultural advertising program. This had been run by the Thomas advertising firm of Fresno under the supervision of Jess Tapp; the original head of this firm died and George, his son, took charge. That was about the time I joined the bank. I worked with George. He's an unusual person--he has a mind that doesn't run in usual channels, and therefore, sometimes it's hard to understand what he has in mind. He'd come in with a suggested advertising program, and my usual first response to his plan was, "George, I don't understand what you're talking about, but I think there's a point in here that's really the key to what you're saying; if I'm right, then go back and work it out and let's go."

Scheuring: Were these the advertisements that appeared in farm magazines for farmers to make agricultural loans from the Bank of America?

Coke: That's right.

Scheuring: The present ads are quite effective, I think.

Coke: I think so. The point I'm trying to make here is that we said to the farm population that read these ads, "Go to your branch manager, he will help you, he will know how to work it out." But we knew when we did it that many of the branch managers didn't know "how." So we had a choice; either we got them all trained before we said to go to them, or we said to go to the branch manager and then that might stimulate him to really find out, and so we took that course, and I think it's worked. I think the branch managers came up to the challenge that was given to them in the advertising program.

Scheuring: Did you conduct seminars in agriculture management and that kind of thing?

Coke: Yes, quite a bit. We had a series of seminars conducted by the Giannini Foundation of the University of California for our agricultural lending officers. The discussions mainly involved economic situations and the financing of agriculture. They did an outstanding job of training. At that time the head of the Giannini Foundation was George Mehren; he would lecture to our staff six hours at a stretch with only a couple of short breaks, and hold the attention of our staff always. He did one whale of a good job--and I'm sorry that he's been lost as a professor.

Coke: We also had a seminar conducted by the Graduate School of Business Administration at UCLA, in which we stressed again the economics of agribusiness and the ramifications of what was happening to various sections of our economy including the consolidation of operations that was going on at that time.

Scheuring: What about the selection of bank officers; the bank had quite an agricultural training program for them after they were selected, but had any of them been selected on the basis of their previous knowledge of agriculture?

Coke: Not necessarily.

Scheuring: You wouldn't seek out Davis graduates in ag econ, for example.

Coke: No. After I'd been there for a while we stressed ag graduates, but up to that time they hadn't . . . so many of the staff officers we were working with had little training or even experience in agriculture. I had pushed practical training in the branches, but that was it.

Scheuring: Would you describe the bank's senior executive training at Pomona?

Coke: Of course, that is not agriculture. I was the one who started it and ran it for three years. This came about because Clark Beise, who was president at the time, said to me, "Earl, I want you to select the one hundred officers from the Bank of America who are most likely to be the senior officers of the future, and then to prepare and execute a training program for these potential senior officers." I objected to his selection of me because I had no special training in personnel selection. But he said, "I understand, but I want to get the job done so I'm asking you." So I undertook it, and made a selection which took a great deal of work and time, and came up with a list of 160 names instead of the hundred that he wanted.

Scheuring: He probably thought you had a good eye for good men.

Coke: Well, maybe so, except that I didn't see many of these people; out of the twenty-five hundred officers in the Bank of America, I only knew a handful. I had to try to get the vision of people through other people, and I'm sure my list was pretty poor. I'm sure that the very outstanding officers were on the list, but I'm also sure that there were excellent people <u>not</u> on the list. But at least I made the try. I don't think it has changed the Bank of America very much, because I don't think anybody was greatly influenced by the list. Maybe Rudy Peterson did use it,

Coke: because Clark Beise retired and Rudy became president at this time. I retired and I think there was a little carry-over on this, but not much.

Scheuring: The list was to be used to pinpoint people who would then be given special training?

Coke: That's right. I contracted with Pomona College for a specially designed training course of two-week duration. Five of the Pomona and Clairmont College faculty formed the basic core for the course. They lived with the twenty-two bank officers twenty-four hours a day for the two weeks, and therefore got to know a great deal about them.

Scheuring: What was the focus of the courses?

Coke: The officers selected, of course, were those who were outstanding in the bank at the time; they knew finance, they knew banking, and so there was no need to provide training in these areas. We figured that if they were going to be senior officers of the future, they were going to have to deal with people with all kinds of interests, training and experience--our training therefore should give the broadest kind of exposure to the twenty-two officers who came to Pomona for this course. We had them exposed to sculpture, literature, art, music, economics, social changes, etc.

Scheuring: It sounds like a crash course in humanities (laughter).

Coke: Well, it was. As senior officers of the bank the quality most likely to be lacking was the ability to think and talk in terms of the interest and experience of customers--the public.

Scheuring: The bank had a two-week residence workshop once a year?

Coke: Yes, once a year.

Scheuring: And it's continued?

Coke: I believe so; it did continue for quite a while.

Scheuring: What were the reactions to it? Was it successful?

Coke: Well, I don't know whether it was or not, but enrolled in the first session that we had at Pomona was Tom Clausen, now president of the bank, and Chauncey Medberry, now chairman of the board. I could add other names of people who are now in senior positions in the bank who took this course. But cause and effect I don't know.

Coke: One participant that I thought was a complete washout has risen to be a very senior officer in the Bank of America. An interesting side light on this was that following each one of the two-week sessions, I sat for a day and a half or two days with this faculty of five, with a recorder in front of us, and we discussed every one of the "students." So each of those men was evaluated not only by me but by the faculty, who all had varied fields and were a very intelligent group.

Scheuring: Then actually the person was being screened and graded during this experience?

Coke: That's right. I took the evaluations, summarized them, and gave them to Rudy Peterson who was then president; how effective that was in influencing top staff decisions I don't know.

Scheuring: It sounds like a really interesting experiment in training programs.

Coke: Well, it was different, I'll tell you that (laughter).

Scheuring: Did you try any of what they call sensitivity training?

Coke: No, we decided not to do that; that's dangerous and we didn't feel that it fitted the kind of thing that we were trying to do; we were trying to expose our potential senior officers to a broad understanding of society.

Scheuring: What was the "lending officer training case study program"?

Coke: We decided that we needed to develop within our lending officers, those who were involved in agriculture anyway, a broader look at what they were doing. It's so easy when a client requests a loan to say no, instead of trying to find out what the conditions are under which help can be given by making a loan. I felt that there were too many lending officers who weren't making the effort to try to find a way to make a loan sound. So, we developed a group of case studies where we defined actual conditions. Obviously the ones we selected were problem loans pretty much on the borderline.

Scheuring: These were hypothetical?

Coke: Well, they were actual cases but we made them hypothetical by maybe varying them enough so that it made a good case. Then we selected a group of our lending officers in various parts of the state and gave them these cases. They came back with a written report on how they would make the loan, or if they refused to make it, why they refused. Then we brought all of them back into

Coke: a meeting, and we had them discuss and analyze why they did what they did. We never attempted to say what was right or wrong. One lending officer would say, "Yes, I could make that loan, but I'll do it on thus and so basis," and another one, "Yes, I can make it, and I'll do it on another basis," but they were all trying to work on the idea that there's a way to do anything if you have the ingenuity to do it, and the fellows that came up with a "no" answer, they could see that perhaps there were ways that they could make this loan. I think it was one of the best training programs we had for lending officers because they got to see the techniques that were being used by others, and it just broadened their whole vision.

We ran these in districts; we'd go into Marysville and we'd have the lending officers of the Marysville area in on this . . . just for a day or half a day. We didn't extend it beyond that.

Scheuring: It sounds like the emphasis was on trying to be positive in the approach to lending rather than negative.

Coke: That's right, and to use initiative in trying to find ways to do something.

Scheuring: In other words, the bank would rather lend money than not lend it.

Coke: Sure, our job is to help people. The greatest criticism that you can make to a banker is that he never loses money.

Scheuring: (Laughter) I wouldn't think most bankers would agree with that.

Coke: Yes, they would. Good bankers will agree that if they don't sometimes lose money, they are playing it too safe; that if you're going to be a real banker, your job is to help people, and if you're going to help people, situations occur where you have to take some chances, and the banker who won't take a chance is not a banker.

Scheuring: So there's a certain percentage of failures in loan, or payment default, that is expected.

Coke: That's right, there must be; and if you take the record of the officers of a bank and here's one that has a clean bill, where there are no losses, I'd say he's probably the poorest banker of the bunch. I think most bankers will agree with you on this, though not all of them.

Scheuring: That makes me think of farmers a little bit; I say they're all a bunch of gamblers at heart (laughter).

Coke: Sure, and the banks should go along with them!

Scheuring: It sounds as if you were in charge of some very effective training programs at the bank, which goes along with your lifelong interest in education, I would think.

Coke: You're never sure whether anything like this is effective; you try, and it never goes quite like you would like to have it. It was not possible for me to keep in close touch with the bank activities after I retired, so whether they considered it effective, or whether they continued it, I don't know.

Land Grant College Evaluation 1961

Scheuring: That brings us to the report that you did in 1961 for the National Centennial Convocation of the Land Grant Colleges, in Kansas City. You did an evaluation of agricultural training in the land grant colleges; was this a speech that was given at the convocation?

Coke: No, it was a written report--I did make a speech, but it was a digest or summary. I was selected by the Association of Land Grant Colleges along with a group of other people to analyze education in the land grant colleges. They printed the reports, and my guess is that that's about as much good as it did; it provided a printer with some income.

Scheuring: Did it receive a good response?

Coke: No, not in my case. At the meeting in Kansas City where I presented my summary of what I had prepared, Professor Schultz from the University of Chicago gave the critique, and was very negative.

Scheuring: On what basis? I read the report, and thought it was well done, very concrete in its suggestions.

Coke: Well, I guess he thought it was too concrete, I don't know, but I never did anything in my life where I felt as low as I did following that presentation.

Scheuring: What was the basis of his criticism?

Coke: That it was a poor report (laughter), there wasn't anything in it of value.

Scheuring: It seemed to me that you must have done a good deal of research or looking into situations . . .

Coke: I did, I worked hard on that, but nobody except Dr. Fred Briggs who was head of the agronomy division at Davis ever said a word, good or bad, to me about that report; he was the only one.

Scheuring: One of the things I liked about it was your attempt to bring things together, the University and agriculture, families, research, industry, and everybody together in a cooperative relationship. Then you had a couple of very concrete things about agricultural students being exposed to a broad range of experience, just as in your bank training seminars, you tried to get the senior officers of the bank to be exposed.

Another suggestion had to do with upgrading and continuing, and increasing federal support for research in agriculture for other nations, which seems at least to have been well taken, because that is true today.

Coke: Oh yes, it's true now.

Scheuring: So perhaps there was a positive response that you didn't know about.

Coke: (Laughter) I hope so!

Scheuring: Another thing you urged was the consolidation of Agricultural Extension with general University Extension.

Coke: I have a suspicion that one of the reasons why people were very silent about my report was because of that recommendation, that neither Agricultural Extension nor University Extension would accept that. It seems to me that, after all, they were both trying to train people outside of the schools and that the facilities that would work with the one should work with another. I felt that Agricultural Extension had been so vital and so important, and had done such a good job, and that University Extension was coming along in doing a big job, and that the problems of farm people were becoming more urban and therefore you could no longer differentiate between urban and rural as you could at one time. If the two Extensions were consolidated, they could do a better job.

Scheuring: It seems logical. You made the distinction on two points in which general Extension differed from Ag Extension; one was that Ag Extension was more practical in its approach toward education for earning a living, and general Extension was more directed toward the art of living. And then Ag Extension has been funded by government sources, has been generally free for the participants, but University Extension has had to pay its own way.

Coke: There have been some suggestions by the state legislature in California that Ag Extension get private support, just as University Extension does.

Scheuring: What do you think of that suggestion?

Coke: It has some validity. The argument that I would raise against it is that the value of Agricultural Extension assisting in the efficiency of production of food and fiber is a benefit more to society than it is to the individual and, therefore, society has an obligation to pay part of the cost. That's the same argument, of course, that is used for research; I think public support of research is legitimate because the benefits of agricultural research do not stay only with the farmer. The public benefits from it and, therefore, should support it.

Other Activities at the Bank

Scheuring: In regard to research, relating back to the Bank of America, did the bank at any time ever grant funds for any kind of research or special projects to the University?

Coke: Yes. Which ones I do not remember, but I'm sure that over the years we've found that a little seed money from Bank of America on a particular research project would be helpful. I've been involved in so many of those that it's hard for me to differentiate contributions from Spreckels Sugar Company and Bank of America and others.

The bank has done many things for both 4-H and FFA to encourage them. I had a responsibility for the bank's activities in farm youth programs, so I know that well. We picked up the tab for junior leader conferences and other things helpful to 4-H.

Scheuring: Did the bank ever underwrite any specific projects? Did they ever take an interest in any specific fields of activity for 4-H, or was their support more general?

Coke: We did the more general things like leadership activities.

Scheuring: Didn't the bank also underwrite the cost of breakfasts for 4-H prize winners in counties?

Coke: Oh yes, that's right. They put on breakfasts for the parents and the winners, at various fairs throughout the state.

Scheuring: Did Bank of America have anything to do with FFA?

Coke: Not as much as we did with 4-H; I think largely because the Sears Roebuck Foundation was very active in FFA and not in 4-H, so there was not the vacuum in FFA that there was in 4-H for support.

Scheuring: Didn't you go back to a number of conferences, the national 4-H conventions, for Bank of America?

Coke: Yes, I attended some of the National 4-H Club Congresses which were put on by the National 4-H Club Service Committee, I was a director of this committee. Those were the most delightful events imaginable.

Scheuring: You received an award at one of the conferences too, didn't you?

Coke: Yes, I guess so (laughter), I don't remember.

Scheuring: How were you appointed a member of the 4-H National Service Committee? Is that by invitation?

Coke: Yes, that's by invitation, voted on by the board itself, and I'm not quite sure when it came . . . I guess it was when I was with Bank of America because I was active in the service committee when I was in Washington as an assistant secretary, of course, and then they invited me later at the bank to be a member of the service committee.

Scheuring: For how many years were you affiliated with them?

Coke: Until I retired; ten years.

Scheuring: You were a member of several agricultural committees in other organizations also at that time.

Coke: Yes, I was a member of the agricultural committee for the U. S. Chamber of Commerce, the agricultural committee of the San Francisco Chamber of Commerce, the agricultural committee of the state Chamber of Commerce.

Scheuring: What types of things did these bodies do?

Coke: Talk (laughter).

Scheuring: Was the purpose mainly for public relations?

Coke: Mostly it was a forum. The U. S. Chamber of Commerce had more of a definite program; they had staff people--two staff people--to service the agricultural committee of the U. S. Chamber of Commerce. The San Francisco committee was active for a while,

Coke: but in the last few years it has not been, because the management of the San Francisco Chamber of Commerce decided they didn't want to have an agriculture committee. But there are more people involved in the policy-making of agriculture located in San Francisco than anywhere else. Lending institutions, and processing groups, marketing groups, and so on. When we had the support of the San Francisco Chamber of Commerce and had good staff people, the committee was very effective.

Scheuring: Have they done anything particularly concrete?

Coke: No, at the time that we were effective it was a time when we were talking about price supports and acreage allotments and acreage restrictions, during the Democratic Wallace time. Surprisingly, the agricultural committee of the Los Angeles Chamber of Commerce has continued over the years to be very effective.

Scheuring: They put out a directory of California farm organizations.

Coke: That's right, and they've had good staff people in charge of it. I've never been a member of that group, but I've spoken at their meetings on occasion. They've done a real good job of getting the full Chamber of Commerce behind certain projects that were of benefit to agriculture and the public.

Scheuring: What would be an example, a Los Angeles County Fair?

Coke: No, you didn't have to get behind the county fair in Los Angeles, they kind of self-generate.

There were projects that had to do with the milk industry, which has been on-again, off-again. The Los Angeles Chamber of Commerce has taken definite stands on that, and they've taken stands on pest controls and regulations, and things of this kind that would be helpful to agriculture.

Scheuring: They would serve as a lobbying body for certain types of legislation?

Coke: Yes, using lobbying in its better connotation.

A Public Relations Problem

Scheuring: Was the bank involved in the grower-labor conflicts of the 60's in any way? There was a newspaper story about Tom Pitts attacking the bank for being involved with agribusiness against farm labor. What was the issue there?

Coke: Tom Pitts was at that time executive secretary of AFL-CIO. Jack Henning is now in the position that Tom Pitts was in then. And I'd much rather deal with Jack Henning than with Tom, because Tom was, I thought, irrational.

Tom Pitts did not like Bank of America. It was politically expedient for him not to like Bank of America. It is awfully easy for people to take pot shots at a big corporation such as the bank, even though they have little or no basis for what they are talking about.

He was playing political games and he was off base. When we called his hand on it, why, he admitted that what he said was not right. Hal Broaders was the P.R. man for the bank in Sacramento. He knew Tom, I didn't, and so he got Tom, and the three of us sat down together and talked things out. I don't think it changed Tom very much, but it kind of quieted the situation. We got along all right. He admitted he had to do certain things because of pressures on him. We recognized this situation. Sure, the charges made the front page of the paper--that's good news . . .

Scheuring: What was the issue at that time?

Coke: I don't recall what the issue was exactly--it wasn't very important.*

Scheuring: You mentioned that it is easy to take shots at the bank. Why do you think that this is so?

Coke: Size. People don't attack the smaller country bank. If you're successful, then you're an easy target. I don't care whether this is a personal success or a corporate success. The more successful you are, the greater appeal there is for people lower on the scale to make attacks. It's just human nature.

Scheuring: The feeling of jealousy by the powerless against the more powerful?

Coke: That describes it well enough.

Scheuring: But that must be a problem built in to the size of the bank, I would think?

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*A front page article appeared in the Los Angeles Times on April 7, 1965, "Unions May Withdraw Bank Funds in Farm Labor Dispute", by Times labor editor Harry Bernstein, in which AFL-CIO Secretary Thomas L. Pitts charged that ". . . some banks and financial institutions have been exerting [influence] on behalf of growers to try to force the importation of foreign labor." A Bank of America spokesman denied the allegation. A subsequent editorial, "Unfair Pressure on California Banks", appeared in the Los Angeles Times on April 9, 1965.

Coke: Sure. And there may be a point of diminishing return in a banking operation or any operation.

Scheuring: Do you think the bank has reached that point? In human terms, I'm talking about.

Coke: I wouldn't be surprised. I wouldn't be at all surprised. That they have reached or are reaching the point where they can no longer direct the number of their own employees in the way that's necessary to maintain a viable corporation.

Scheuring: You've had experience with bureacracies over a wide spectrum. I would think the bureacracy in the bank would be a growing problem. Now does a private corporation deal with that?

Coke: Just like a public corporation. Except the private corporation can do a bit more to try to handle it. But the same problems exist. A public corporation feeds on itself; as it gets larger, it gets more powerful, and the more people involved, therefore, the more people needed. It goes on and on. It's awfully hard to stop. This is a great fear I have of government today, whether it's federal or state or local--that we're in the process every year of getting larger and larger and larger, therefore stronger and stronger. Stronger so far as politics are concerned, because there are more votes. Some day when you get over 50 per cent of the people, working people in the nation, in public jobs, they will run the country because they can vote anything in they want. We're darn near there now! And it's awfully hard to get any control of the social things that are going on--not because they're good, but because they affect the majority of the voters--this 50 per cent or more.

Scheuring: I would think that, in this regard, the experience of the bank, which I suppose you can call a quasi-public institution in a way . . . that the experience of the bank in trying to fight bureacracy and the inertia that comes with that, would be useful to government bodies in some way.

Coke: Except that you have bureacracy in the bank and you've got politics in the bank.

Scheuring: Well, that's the question. How does the bank deal with this to stay viable, and could this experience be transferred over somehow to government or to the public sector?

Coke: The bank has a bit more control than in government. You don't have the civil service. You don't have (yet) the employees of the bank running the bank. When they do, it will be just the same as civil service in government. And there will be no control except as you

Coke: vote and the number of people you have will be the determining factor.

Scheuring: The Bank of America is listed on the New York Stock Exchange. Are there any individuals or groups of people who own large shares of stock in the bank and thereby influence in some way decisions that are made?

Coke: Sure. I know that there are people who do influence. They might be on the board of directors, or might be a board member who is on the executive committee--then they can do an awful lot of influencing. But with as large a corporation as the bank is, I think it's awfully hard really to pinpoint any one person who has undue influence.

Scheuring: Well, I'm thinking in family terms of the bank. It was originally the Giannini family's bank, and I understand from bank history that one of their primary interests was in financing agriculture.

Coke: Oh yes, and they did a great deal for agriculture.

Scheuring: But that isn't true anymore? It isn't necessarily family members dominating anymore?

Coke: No. A. P. Giannini did dominate the Bank of America. He didn't have that much stock; he did it on personality and knowledge, and he had great influence. But since his demise and that of his son, Mario . . .

Scheuring: There are no family members left?

Coke: Yes, there is. There is Claire Giannini Hoffman, the daughter of A. P. Giannini, who is still on, or until just very recently, was still on the Board of Directors of the Bank of America. And she exercised influence. As staff members, we didn't always enjoy her kind of influence!

Scheuring: She was a strong personality too?

Coke: Oh, she was a strong personality. She really took after her father. I enjoyed her very much because I was involved in some of the operations that she liked. The bank had a program for support of medical research, and they set up a committee that dealt with a corps of doctors who were advisory to the bank on this medical research. She was one of the bank's members on this committee and I was on it too. I enjoyed that; it was fascinating.

The Bank and Agriculture

Scheuring: In your file at Bank of America, I noticed that in 1956 you arranged for the distribution of about 100 copies of Ezra Taft Benson's short book "Farmers at the Crossroads." These went to various key people in agriculture. How did the bank fit in here--did it finance the distribution?

Coke: I don't recall. I don't think we financed anything. I think the books just arrived and I had to get rid of them, so I sent them to people I thought might have some interest in them.

Scheuring: Was the book a reflection of bank opinion on agricultural policy?

Coke: No, I don't think so. It was entirely an Ezra Taft Benson production.

Scheuring: So in your distributing it you were just kind of passing it out, it wasn't really a bank thing?

Coke: No. Not at all.

Scheuring: Actually, in the official bank biography by James, it was mentioned that A. P. Giannini himself had approved the New Deal farm programs of Roosevelt, so it seems that Benson's book would be about the opposite end of that spectrum.

Coke: Right.

Scheuring: In regard to decision-making at the bank, what proportion of the bank's resources, would you say, has been available to agriculture in general?

Coke: All the resources of the bank have been.

Scheuring: Maybe that's too broad a question.

Coke: No, I know what you're getting at.

Scheuring: Well, one way of phrasing it--of appraising the bank's relationship to agriculture--is to say that the bank is the largest single lender in California agriculture. But if we turn that around, how much of the resources of the bank is involved in agriculture?

Coke: Are you talking agribusiness now?

Scheuring: Yes, right, the whole area of agriculture.

Coke: About steel companies that produce steel to make into the cans in which agriculture cans its products?

Scheuring: Well, I guess you would have to cut it off at direct producing and processing, and not all of the manufactured things that come in?

Coke: What I'm trying to do is avoid answering your question.

Scheuring: (Laughter). Well, maybe it's an impossible question, I don't know.

Coke: It depends a great deal on your definition of agribusiness. But I would think that about 25 per cent in general of the bank's resources go for agribusiness, which is a very substantial amount. And particularly when so much of the agribusiness of the Bank of America pays them less than some of their other commitments. The returns from consumer loans, the returns from construction loans, are generally higher. The time-plan business of the Bank of America, which is a consumer lending operation, brings in a lot more money. Sure, they have heavy losses but the net return from it is greater than in agriculture or for agribusiness. So agribusiness generally is not considered to be a money-making part of the banking operation. But agribusiness is so basic to the economy of the state and therefore the bank that it gets a priority consideration.

Scheuring: That's very interesting. I was going to ask you what determines the allocation of funds by the bank. What you've just said indicates that it's not only the profit motive?

Coke: No, not just the profit motive. It goes back to what I've said before. The bank is firmly convinced of the necessity of providing funds for economic sections of this country that produce wealth, and there are not many. Agriculture is the main one that actually produces wealth. And therefore, if we have an overall--if the bank has an overall interest in the economy of the state of California--then it's our duty, our privilege, and our long-term self-benefit that we keep strong this portion of the economy that continues to produce wealth for the state, and the nation.

Scheuring: Even if the immediate profit is not as high as it might be in other areas?

Coke: That's right. And that, may I say, is just a little difficult to always get over. This is where I was very fortunate in being a member of the general finance committee of the Bank of America.

Coke: The chairman of the committee was Lloyd Mazzera. He was appointed chairman of the finance committee on the day that I joined the bank. That plus the agricultural orientation of Jess Tapp was of great benefit in keeping agricultural financing strong and in the proper order. Lloyd Mazzera had been a branch manager in Stockton so he knew agriculture. And so I had almost an easy row to hoe. We made real progress in the number of agricultural loans that we had, the amount of financing that we did in agriculture, and we were very proud of it--of agriculture, agribusiness, cooperatives and so on. This was my area, but I had the greatest support you could ever expect.

Scheuring: Since you've just mentioned co-ops, how much involved was the Bank of America with co-op formation?

Coke: Well, let's put it this way--our loans to cooperatives in California were greater than the loans of the Bank of Co-ops, which is set up as a quasi-government agency for one purpose--and that's to finance co-ops. I think we did a better job. I think it was easier to deal with us than it was with the Bank of Co-ops, because they had boards to go through and all the rest of paraphernalia in government. And then when it came to, say, Cal Can (the California Canners and Growers co-op), the Bank of America put that together and of course was the principle lending agency. I think it would have been impossible, probably, for the Bank of Co-ops to have put that deal together, and my guess is that no other bank in California could have done it because they didn't have the expertise. Agriculture hasn't been very prominent in some of the other banks. They haven't really seen the need for agricultural lending and support, though they are now getting into it. They are getting people in their organizations who understand agriculture so they are now doing a better and a broader job, but starting with A. P. Giannini, he had a commitment to agriculture that was followed by the Bank of America through all these years.

Scheuring: And you say that commitment has followed through, regardless of the profit incentive. That sounds like a policy.

Coke: That's right. Sure it's a policy. Nobody ever wrote it down as such, because that would probably kill it (laughter).

The California Water Plan

Scheuring: The 1960 election saw the passage by a slim margin of the California Water Plan. Did the Bank of America have any role in

Scheuring: encouraging the passing of that proposition?

Coke: I guess I'm the wrong person to discuss this because if we had a role it was at the upper levels or it took place prior to my joining the bank. It wasn't an agricultural operation per se. I'm sure that the bank had a great deal to do with the bonds that were issued or were going to be issued for the plan, and in that way had a great influence on what went on. Other than that, I don't know.

Scheuring: Well, we'll talk about the bonds in a minute, but this is more before the passage of the bill. It was an extremely controversial election, of course, and I just wondered what your perspectives on the controversy were from your position at the time.

Coke: Well, my hindsight on it is that there was a great lack of candor and honesty in the proposal of the California Water Plan.

Scheuring: In what sense?

Coke: In that the costs were covered up and that the real facts were not disclosed to the public. Proponents of the plan wanted a good story, so not all of the facts were given out.

Now that might indicate that Bank of America would have been a party to not disclosing all the facts. I don't think they would be. I think the bank would not do a thing like that. In my experience with them, I have never found them in any dishonest move whatsoever and I would consider that dishonest.

Of course, this whole thing started way back, even earlier than the Pat Brown administration, and has been going on for years and years. Then in the Brown administration we got to the point where somebody said it would cost--what was it, one and a half billion?--and now we all know that was a false statement just to get it on the books to go. Which might have been all right. I'm sure that in all this the Bank of America played a role, but probably primarily it had to do with bond issues. Bank of America had a policy, and this was a stated policy, of supporting all the bond issues put out by the state of California. If you read in the paper that Bank of America has purchased the school bonds for so and so, the veterans bonds, the water bonds--this, in their opinion, was a way in which we could support the state in its development. I'm sure that it has had a great effect on the state's development, far more than the bank has been given credit for. Because some of these issues weren't known very well and unless you had the support of a corporation like Bank of America, they wouldn't have sold.

Scheuring: That's what I'm interested in. Just for a matter of record.

Coke: That was a matter of record--that's a matter of policy, and also a performance which we can go back and document.

Scheuring: Of course, the water plan resulted in a lot of agricultural development, didn't it? Irrigation of crops that were previously not grown and that kind of thing.

Coke: To a limited extent. Not as much as the critics of the plan would like you to believe. To a very large extent the state water plan was providing supplemental water and not basic water; and there's a difference.

Scheuring: But supplemental water can make a difference as to which crops you grow?

Coke: Oh yes, and how frequently you can grow it, and so on. But the San Joaquin Valley had its own water supply--wells. The supply came from deep wells, it was expensive water and there wasn't enough water to farm all the land each year. When the water came in under the state plan, this meant there was increased production. There was better water and an assured water supply.

Scheuring: So the agricultural income of the properties served by the state water plan was really much enhanced?

Coke: That's right.

Scheuring: I guess that's the connection I'm trying to make. Didn't the bank have an interest in the water plan (which was to have a great effect on agriculture in the state), because it was doing so much agricultural financing? There surely must have been some profits accruing at the bank as a result of the whole water development system.

Coke: Sure. And the basis of the loans which the bank would make depended on the income and the income depended on the water supply, so therefore, the bank had a very keen interest in the additional water and what it cost. In that last statement is a whole book in itself!

Scheuring: Did the Bank of America then play any particular role in the passage of that plan? What lobbying activities does the bank play in a case like this? For example, for the passage of a proposition in a general election?

Coke: That's a hard question to answer. The bank has a lobbyist in Sacramento and I'm sure that he lets the position of the bank

Coke: be known to a lot of people. How effective he is, I don't know. Probably the more effective lobbying job is just the attitude of the branch managers around the state. And yet the bank does not have any system of trying to educate or bring the branch managers into a unified opinion on any one of these issues.

Scheuring: So the bank doesn't make any official statements on this kind of thing?

Coke: Well, the bank doesn't lobby with the employees of the bank.

Scheuring: Does the bank make public statements (as an institution) of support or opposition for propositions or legislation?

Coke: Rarely.

Scheuring: I have a quote from a letter by L. M. Giannini in 1951 in which he said, ". . . that the bank and officers should remain aloof from issues that might result in contention." Was this policy always adhered to while you were at the bank?

Coke: Pretty much so. Only by contention, he meant political. We tried never to be a party to the squabbles . . . in the discussions that went on, if we had facts that needed to be presented we'd present them, but we'd never take sides.

Scheuring: I noticed also in your file, to corroborate that, there was a statement that the bank would take no position on a 1962 proposition which proposed assessment of property on the basis of use rather than on its market value. Obviously then the officers had discussed it, but decided not to take a stand.

Going back to the California Water Plan, however--in reading back over some of the pre-election controversy, it was interesting to see the split between supporters and those who were opposed. For example, almost entirely the labor groups were opposed, whereas agribusiness on the other hand was entirely for it. Were you for it yourself?

Coke: Yes.

Scheuring: Erwin Cooper, who wrote a book called Aqueduct Empire, said the California Water Plan was the "brainchild" of the corporate San Joaquin landholders. Would you say that was accurate?

Coke: No. I wouldn't say it was accurate. I would say that there were many people in California, including Southern California, who felt that we had to redistribute the water supply. Seventy-five per cent of the water was located in the north, with 75 per

Coke: cent of the need in the south. There was water to do the job. I still believe that there's plenty of water to take care of California's needs. We have become bogged down in environmental situations and have not built the reservoirs that were planned, and so we are going to be in trouble making delivery on some contracts, I'm sure, but this was a good plan. It was good for California. I'm surprised that the labor unions were not in favor of it.

Scheuring: Well, a couple of small unions split off, but AFL-CIO in general was against it.

Coke: They're usually on the wrong side of anything that's constructive.

Scheuring: Well, one more question about this, and then we'll talk about bonds. About how much land in the San Joaquin Valley which benefitted from the water project ultimately, did the bank have an interest in? Do you have any idea?

Coke: None. If you mean by interest, did we own land . . .

Scheuring: No, I mean financing and so forth.

Coke: Of course we financed most of the land; that's our agricultural financing. From that standpoint, we had a great interest, but we were interested in an economic return, and therefore it had to be a sound program of development, otherwise we would not have been for it.

Scheuring: About bonds . . . I did track down that in October 1964 Bank of America and Associates bought one hundred million dollars in intrastate water bonds at a low bid of 3.58 per cent interest. Did you discuss the purchase of water bonds in the finance committee?

Coke: No.

Scheuring: You didn't?

Coke: No. On the finance committee we did not go into the bond side of this thing.

Scheuring: Would the purchase of water bonds, or any type of bonds for that matter, be regarded by the bank as a public service or a business venture? Or can you separate them?

Coke: I don't know how you can separate them. The bank had a policy that it would bid on any public bonds that became available in the state, whether it was school or water or what. If they thought it was shaky, of course, they wouldn't bid so high, but Bank of

Coke: America has been a real factor in California development because of its policy of bidding on and buying all kinds of developmental bonds in the state.

Scheuring: Do you have any idea if the bank purchased other water bonds subsequently?

Coke: I'm sure they did. I'm sure there was not an issue of water bonds that came up that they didn't bid on.

Scheuring: It was harder to sell them later. I know that's one of the reasons that the allowable interest rate went up from--what? . . . 5 per cent to 7 per cent?

Coke: Sure.

Retirement from Bank of America

Scheuring: You took quite an extensive business trip, I understand, to South America?

Coke: Yes, after I retired from the Bank of America in 1965. Rudy Peterson, president of the bank, said that he had just returned from a business trip to several countries in South America and had talked with the top officials down there. One thing that they were all interested in was agriculture, and he wanted to have me go down and talk with these officials to get across the fact that the Bank of America not only understood, but supported agriculture. The Bank of America was trying to get licenses to put branches into these countries; the countries were Venezuela, Colombia, Peru, and Chile. So my wife and I went down. I spent two or three days in each of the countries. When I got to Venezuela, it soon became apparent that I needed a trustworthy interpreter, so I cabled Rudy Peterson and got permission for Chester Torres, who was in charge of the Venezuela Bank of America facility, to accompany us on the trip. He was a life saver.

I met with the top state bank officials in each of these four countries, and the presidents of each nation. It was quite a credit to Bank of America that the presidents thought enough of the bank that they would permit me to have an audience with them. My message was, "We finance agriculture and we believe in it, we know it, and if we are permitted to come into this country, to the extent possible and money available, we will put knowledgeable people into this area."

Scheuring: And as a result of that trip these branch offices were opened in each capital?

Coke: Well, I'm not quite sure you could say it was a result of that trip because there was a lot of effort going on in various ways.

Scheuring: How long were you gone?

Coke: Two weeks. We came back across the Andes over to Argentina and back up through Brazil, and home that way; it was a hard trip, but very enjoyable.

Scheuring: You retired, then, from banking in June of 1965?

Coke: That's right; it was mandatory retirement at sixty-five and no "ifs, ands or buts" about it, even the president.

Scheuring: How do you feel about mandatory retirement?

Coke: I don't like it, but I don't know a better alternative. There are people who should be retired earlier than sixty-five. When sixty-five is mandatory, then that means that no judgment is used on retirement, they just retire. There are people who would be valuable to keep on. But there are techniques to keep people on and give them jobs to do after sixty-five, which can make mandatory retirement more acceptable. I think the greatest weakness in mandatory sixty-five retirement age is that it precludes any way of getting rid of people or moving them out prior to sixty-five, and there are great handicaps in having some people on the job that long.

IX. CONSOLIDATED AGRICULTURAL INDUSTRIES AND SOME REFLECTIONS ON CO-OPS

Early Experiences with Co-ops

Scheuring: Over your own lifetime, how have you seen co-ops evolve?

Coke: I've seen them evolve from the small co-ops who got membership on the basis that it was almost a "religious" thing to do. If you didn't join a co-op in a particular field in the early days, well, then you weren't carrying out your duty to mankind. Maybe it wasn't quite that strong, but it was almost! Now we've come to the point where joining a co-op is completely a business decision. If the co-op can provide more returns to you than otherwise, if it gives stability in your markets, then you join--if it doesn't, then you go someplace else. One of the great things that has taken place in the co-op movement, is that better management has been evolving. Professional managers are emerging, instead of just some farmer who with a loud voice becomes president of his co-op. And co-ops are using better business methods.

The great handicap of the co-op in my opinion is that it is cumbersome. I can't see how any proprietary company should be overly concerned about competition from co-ops, because a proprietary company can operate with dispatch. When they decide they want to do something, they go ahead and do it. But when a co-op decides they want to do something, a whole line of command of people has to be influenced clear down to the growers, because each one of them is an owner. And therefore, co-ops don't move with as much speed and dispatch as proprietary companies.

The tax advantages of a co-op, if there are such, and I guess there are still a few, although they are disappearing, really is not in my opinion enough reason for a co-op. The real reason for a co-op is the opportunity for growers to work together to get volume in marketing and processing, so that they can get their

Coke: costs down. That's why I was interested in the Consolidated Agricultural Industries operation, where we got volume that would have, had we gone ahead with it, provided an opportunity to greatly reduce costs.

Scheuring: Of course, you can take that disadvantage of co-ops that you mentioned--its cumbersome element, in the necessity that it has to go back to the members. Can't you turn that around and on the opposite side of the coin say that it helps train people in decision-making, and helps produce leaders in this sense? It makes economic literates out of people who may not otherwise have much savvy in the marketplace.

Coke: I'll buy that, and there are many leaders who come out of co-ops. But can an economic unit such as a co-op afford to spend a lot of money training people?

Scheuring: Well, it's not, of course, intended to be an educational institution, but doesn't it function that way in a certain sense?

Coke: It does, yes. The more participation you have--the more people you have in the business--the more experience and training that you get.

Scheuring: Yes, so that is one of those trade off-things, I guess. What co-ops have you been closely associated with in your lifetime and in what capacity? For example, was your father in a dairy co-op in Los Angeles?

Coke: No, he wasn't. He was in a cow testing association, which in one way was a co-op. They pooled all their resources and hired cow testers to test the butterfat in milk. He believed in co-ops but we were never in that kind of business . . . well, I guess I'll have to back up, maybe he was in a co-op in his milk sales, I don't know. If so, I didn't know about it.

Scheuring: In your farm adviser years, you were involved in some co-op kinds of things . . .

Coke: Oh yes, I tried some things in co-ops--all of them were failures. So I've had a lot of experience (laughter). I was never in the management side of a co-op but when I was in San Luis Obispo we formed an egg marketing co-op that didn't do anything--didn't get anywhere. When I was Extension agronomist, I was involved in the formation of a bean marketing co-op. And I think that did go somewhere.

Scheuring: When you were an assistant farm advisor, the grain cleaning venture was a co-op, wasn't it?

Coke: That was a cooperative venture, and that was very successful. I'll take it back. I was successful (laughter)!

Scheuring: Of course, in your Spreckels years you wouldn't have been involved in co-ops?

Coke: No.

Scheuring: Were there any co-ops in the sugar business particularly?

Coke: There are now. This has all taken place in just the past few years. The Great Western Sugar Company, which was the big private sugar company with headquarters in Denver, Colorado, is now a cooperative. And if I'm not mistaken, the American Sugar Company, which is a big sugar outfit, has either turned co-op or some portions of it are co-op. There are more co-ops in the sugar business today than ever before. I didn't think it was possible.

Scheuring: Co-ops are on the increase then, generally, over the past fifty years.

Coke: Yes, I think so. And for a lot of different reasons.

Scheuring: Of course the bulk of these cooperatives would be marketing co-ops, wouldn't they?

Coke: Oh yes. Processing and marketing. Sugar cooperatives would be processing and marketing going together.

Scheuring: What do you think is in the future for co-ops--the tendency to combine into greater and greater cooperative ventures?

Coke: Well, I think there is a limitation to what co-ops can do. They've had a pretty free hand. They could do most anything because the anti-trust laws didn't apply to them. They were excluded but they are now being recognized as a threat and they are being charged with anti-trust activities. So I think there is a great limitation today as to how far the cooperative movement can go.

Scheuring: You mean in terms of size and volume and control of the market?

Coke: That's right. You get up to a certain size and start to control the market and anti-trust will step in and tell you not to go any farther. And maybe even make you go back some. I think you'll see more of that happen. So there is a real limitation on the size of co-ops.

Scheuring: Do you think that's a good thing?

Coke: Yes I think that's a good thing. I wish we had the same limitations on labor unions, and in government.

Scheuring: Yes; well, co-ops compete against each other too in certain areas, don't they? Or do they pretty much stay out of each other's way?

Coke: I think they stay out of each other's way. You see, co-ops specialize in particular products and they really don't compete too much. There are exceptions, such as Tri-Valley co-op and California Canners and Growers who do compete with each other. And this has been fairly rough competition that's gone on. I don't hear so much about it now, whether they have resolved it or not.

Scheuring: Generally, that's healthy, isn't it? I mean that kind of competition would keep them on their toes and keep the consumer a little more happy too?

Coke: Sure, and they have to perform or they lose their membership.

The Formation of Consolidated Agricultural Industries

Scheuring: Why don't we talk about Consolidated Agricultural Industries then, because that was a kind of super co-op, wasn't it? A co-op of co-ops?

Coke: Yes, in a way. I guess I should explain how I got involved in that. When I retired from the Bank of America, I was doing some work for the bank beyond my date of retirement, and the managers of four farmer cooperatives came to me. They were Cal Can, Tri-Valley, Sunsweet and Diamond Walnut--and said, "We have an idea that we've been working on for some time--the consolidation of operations of some of the co-ops in California. We have the idea that we can increase returns to our members by working together. We haven't gotten very far, we'd like to have you join as the manager--president of this group and put it together." It intrigued me and so I agreed to go with them. We knew that we were on dangerous ground because of potential anti-trust suits, but we figured we had a chance. If I had known then what I know now, there would have been some ground rules worked out first.

Scheuring: What kind of business research had they done already? Or hadn't they done any?

Coke: They had done very little. When I came in, we hired the A. P. Kearney company to do this business research--marketing research study. When you hire a firm, you really don't hire the firm--your selection is greatly influenced by an individual, and the individual that we had we were very fortunate in getting. He was a fellow by the name of Floyd Oatman, who was a terrific person, had a lot of experience in the matter of marketing, transportation, warehousing, and business management of operations of this kind. And so the Kearney consultants made a very detailed study and provided us with information on what we might do to create economies. We were not considering the consolidation of these co-ops as such, we were merely considering consolidating some of the operations. We had, in Consolidated Agricultural Industries, the following firms: California Canners and Growers, Tri-Valley, Diamond Walnut, Lindsay Ripe Olive, Sunsweet Growers (that's prunes), Ocean Spray Cranberry, and Sun Maid raisins.

Scheuring: Were these co-ops all about the same size?

Coke: No, no. There was a vast difference in size; and of course, they were not competitive with each other so far as the individual products were concerned that they were marketing.

Scheuring: Doesn't Tri-Valley put out olives?

Coke: Oh, that's right. Tri-Valley and Cal Can were competivive, but other than that everybody was on their own. We tried to get California Almond Growers in (but they wouldn't come), for that would have been a natural.

Scheuring: How did Ocean Spray get in?

Coke: I'm not quite sure (laughter). They had a manager by the name of Ed Gilsthorpe, who had been with Colgate Company and then gone to Ocean Spray, I think largely because their main office was up in the Cape Cod area, and he liked to sail. He was a good sailor. He really got Ocean Spray out of a most difficult situation; they had lost most of their market due to the federal government's ban on any product that had come from fields that had been sprayed with a certain chemical. It meant that most of the cranberry growers--and this ban came right at harvest time--most of the growers that year were unable to sell any of the product, and it darn near broke them. And then it frightened the public and they wouldn't buy cranberries. Well, he got that corrected. Actually, it was a false alarm on the part of Food and Drug (which in my opinion is more usual than any good that they do. I think they're a false alarm outfit!). And then Gilsthorpe did a lot of market research--and the company decided that they wouldn't sell cranberries as such--they still did some, but it became a very minor

Coke: part of their whole sales. They would sell cranberry juice; Gilsthorpe called it "cranberry cocktail" because he mixed sugar and water with a cranberry juice and put out "cranberry cocktail" at good profit. In a year or two, under his management Ocean Spray Cranberry came from being almost broke to a very profitable organization. He did other things--he got cranberries in other products--bread and you-name-it. So he was a real merchandiser.

Scheuring: So was he the one who aggressively sought membership in CAI?

Coke: Yes, he wanted to get into it--he saw the possibility.

Scheuring: But would that be to Consolidated Agricultural Industries' advantage, to have a little co-op from the East Coast come in?

Coke: Well, we weren't doing anything there on the East Coast. They had warehousing, and we could use their warehousing facilities. There were ways in which we could work together.

There were several hundred million dollars of savings that the Kearney firm came up with which could result by our working together in warehousing and shipping.

The number of things that could be done was so great that I thought it offered real opportunity. The annual value of the products of the seven companies in the CAI amounted to about $300 million, and so we were dealing in volume. Potential customers complained that we California processors were hard to deal with; we were scattered all over. For instance, if A. & P. wanted to put on a special on cling peaches--they of course had to have cling peaches in their stores at a certain time. Maybe we'd get the cling peaches there and maybe we wouldn't. And so by going together and by having central warehouses, shipping out of the central warehouses--in other words, doing just what Del Monte does, CAI hoped to be more efficient distributors.

Del Monte is probably the most efficient merchandiser in canned fruits and vegetables in the country. And they have these central warehouses. They're easy to deal with. A buyer can put on my computer the order that he wants; it goes to Del Monte and he knows that Del Monte will perform.

Scheuring: Some of the smaller operations, like some of the co-ops, they hadn't as reliable a reputation as Del Monte?

Coke: That's right.

Scheuring: Let me check something out. Now, Cal Can and Tri-Valley, Sunsweet, Sun Maid, Ocean Spray, Lindsay Ripe Olives, and Diamond Walnut were all co-ops, right?

Coke: Right. They were all co-ops coming into a super co-op.

Scheuring: Was this a brand new idea, that co-ops could consolidate or had it been tried elsewhere?

Coke: I don't think it had been tried, I think it was brand new, at least on the scale that we were talking about. Of course, there had been consolidation of co-ops along smaller lines--probably one of the mistakes that we made was to go on too grand a scale. We'd have been better off to have started a little smaller than we did.

Problems in Management

Scheuring: Was the business research adequate, do you think, looking back?

Coke: I think it was adequate. Two things stood in the way. Some of the managers of the consolidating co-ops would not be in as preferred position as they were as managers, because in Consolidated Agriculture, even though we didn't intend to consolidate the actual businesses, we'd be taking authority away from them. The managers, some of them, could see that their place in the sun wasn't going to be as great.

Scheuring: You mean effectively they were sort of being lowered in terms of prestige?

Coke: That's right. When we started to form CAI, we made a mistake in not having a management contract with each of the managers of the co-ops guaranteeing their existing salary for a period of years. If we had done that, instead of fighting us as a couple or three did, they might have gone along with us on the idea.

Scheuring: Some of the individuals involved really felt that they might lose their jobs?

Coke: The boards of directors too could see their place in the sun kind of losing out. The directors were very proud of their positions, and saw that they might lose influence if the co-ops were united. I finally came to the conclusion--maybe it was a false one, but I thought that some of these board members were actually more interested in their own positions than they were in increased returns to the members of their co-ops.

Scheuring: Do you think one of the reasons for the failure of the whole operation, then, was really the people problem--the personalities?

Coke: Sure! I'll give you one example, and I'm not going to name names on this, but it had to do with the first real project that we got into, and that had to do with insurance. You know that the larger the volume of the basis and the more widely spread the risks of the insurance, the more chance there is for savings. With CAI we had warehouses and facilities all over the country, that is, the member co-ops had quite a number of facilities in existence, and all carrying insurance. If we grouped them all together under one master policy, we could have high limits but the cost would have been greatly reduced.

Scheuring: Because the risk would be spread out?

Coke: That's right, it would be spread out. We could get better fire and liability insurance at less cost for a unit under our plan. We had an insurance outfit--research outfit--give us a set of specifications which we sent out and secured bids on for a combined insurance program. The total premiums paid by these members of CAI amounted to half a million dollars--and by our consolidating effort we had actual bids from insurance companies that would have saved the CAI members $90,000 a year. It wasn't very much. And when you broke this down to the six companies, it really wasn't an awful lot, but it was something. What broke us on this was that one of the principals (who had been most for CAI) went back to his regular insurance carrier and said, "Look, I can go with CAI here and we can get our insurance for X amount which is less than we paid you before." And so his insurance company met it, and he pulled out of CAI's insurance program; and of course, that broke the whole deal. This is the kind of lack of discipline that you get into.

Scheuring: You had no coercive power?

Coke: None whatsoever.

Scheuring: Nobody had signed insurance contracts?

Coke: No.

Scheuring: Well, was that one of the errors of the thing?

Coke: One of the errors. We didn't have a firm contract that we could enforce. I don't think they would have signed a contract. But without a contract, a deal like this was not possible of execution.

Scheuring: I talked to some people who were very intrigued by the whole idea, and wanted to know what some of the reasons were for its failure.

Coke: Yes. There is an offshoot of this that is going on now. I'm sure that the idea of CAI is responsible for Diamond Walnut and Sunsweet going together. Actually, they are consolidating.

Scheuring: I thought they were keeping separate identities?

Coke: Well, they are up to a point. But the plan is that it will be one co-op when they get through with it. And my guess is that if anything is done at all, it will be done that way. There are some very logical moves--I don't know why Sun Maid isn't in there. If you had the right characters in Sun Maid, it would be to a great advantage because I'm thinking of marketing. Marketing of raisins, the marketing of prunes or almonds--by all means, almonds should be in there. And maybe with the new management in there, that's a possibility.

Scheuring: What were some of the actual accomplishments of CAI?

Coke: None (laughter).

Scheuring: How long did it last?

Coke: A year and a half.

Scheuring: It just was beginning to get off the ground in terms of planning?

Coke: It took a long time.

Scheuring: What other ideas did you have?

Coke: We wanted to have our research and development consolidated and with the large variety of products within CAI our opportunity of product development was great. Take prunes as an example: there was no change in the prunes marketed until they took the pit out, and produced prune juice and I think those were great steps forward. There must be many other things the prune industry could do to develop a product that would have more appeal. What changes have been made in the raisin industry? We still buy raisins just as they have been for years. Walnuts--that's quite different. Walnuts have not been a real consumer item; there are retail sales, of course, but it mainly goes into bakery use in cake mixes and things of this kind. So they are developing a beautiful market for walnuts in foreign markets as well as in the U. S.

Scheuring: When the one co-op broke the insurance deal, CAI kind of petered out after that?

Coke: That just stopped the CAI effort.

Scheuring: Did you resign then from the CAI?

Coke: Yes.

Scheuring: And it effectively disbanded after you resigned?

Coke: That's right. A corporate set-up is still in existence, but effectively it is abandoned. We decided to deposit the books with Diamond Walnut. I expect they still have all the records of CAI over there.

Scheuring: Given the same concept, how would you restructure the effort?

Coke: I would not start on such a grand scale, but would do as Diamond Walnut and Sun Sweet are now doing.

Scheuring: So it really was, in a sense, the human element that caused the venture to fold up.

Coke: Of course. Basically, economically, there was great reason to have CAI or something like it. But it was the human element that failed.

Scheuring: Of course, when you get into this massive kind of an organization or effort, how would you really deal with the human element?

Coke: Put them under contract. I still think CAI could have worked, except for personalities, except for people. The private sector has been very critical of co-ops. As a matter of fact, they were critical of Governor Reagan for appointing me as director of agriculture because of this experience with the CAI; they thought I was a died-in-the-wool co-op man and, therefore, they were trying to get him not to appoint me.

I wasn't trying to put anybody out of business. Del Monte can be so much more efficient than a co-op, because management can respond rapidly to necessary changes. A co-op usually must get the approval of its members. Del Monte for example could put money into product research, or build warehouses or get warehousing where it is most effective for their market, or set up an electronic ordering device whereby the buyer can press some buttons and order directly from Del Monte exactly what they want--Del Monte can perform. If I were president of Del Monte, I wouldn't be worried about co-ops, and I wouldn't be trying to fight them.

Scheuring: In regard to co-ops, isn't one main argument that the producer still has more control over his product than, say, if he contracted with Del Monte?

Coke: No, I don't think so. I don't see any reason why he has any more control. He puts his product into a pool and his control is, therefore diluted . . .

Scheuring: But, theoretically, isn't the management of the co-op supposed to be more responsive to his bargaining for a price?

Coke: That's the problem; yes, theoretically they are. But then usually the co-op becomes a failure or loses its effectiveness because there are too many people trying to run the show. In my opinion, you've got to have management control in strong hands, with somebody calling the terms; you can't have many people telling management what they should do.

Scheuring: This is kind of a philosophical question, I think really, where the final authority should lie . . .

Coke: Well, in my opinion, there's only one place in a commercial organization, and a co-op is just as much a commercial organization as anything else; you've got to have authority in one place--it may not be in one hand, but it's in one place. The fewer hands it's in, if that is a good hand, the better off.

Scheuring: Could I ask one more question--haven't co-ops, traditionally, gotten tax breaks?

Coke: Oh yes, co-ops have had tax advantages. That, I think, is going to disappear. Any co-op that is living on its tax advantages has its days numbered.

Scheuring: Are there groups now that are agitating to change the tax status of co-ops?

Coke: Very much so, including the Department of Justice; as co-ops get more successful, as things happen as have happened in the milk cooperatives--you're going to find, I believe, that the government will take more and more action against the freedom with which co-ops have operated. One California co-op manager says, "I don't care; the minute the government makes a move to take away what little tax advantage there is now in existence, we'll go into a corporation form of organization--we're set to go." He's smart!

The USDA Farmer Cooperative Service

Scheuring: If we can bounce back to the Benson period for a few minutes, perhaps we can talk about your experience with co-ops during the Benson administration. The two years you were in Washington, you had charge of the USDA Farmer Cooperative Service, didn't you?

Coke: Yes, that's right.

Scheuring: And how did you view them?

Coke: Without much satisfaction (laughter). Ezra Taft Benson had been head of the National Co-op Council, and had been an Extension economist in Idaho and had been very active in the formation of co-ops; he was committed to farmer cooperatives--we all knew it. The Farmer Cooperative Service was something that I never felt really did very much. I couldn't see the difference from the standpoint of business organization between a cooperative and a proprietary business--so why should the USDA have a special unit just for co-ops? When Ezra gave me the job of reorganizing the U. S. Department of Agriculture, one of my recommendations was the elimination of the Farmer Cooperative Service on the basis that there was nothing particularly different about a co-op from a proprietary business. And I found no difficulty with Ezra on this.

I talked with quite a few of the cooperative leaders in the country. One of the cooperative leaders, Fran Wilcox, who was then general manager of Sunkist Growers, thought that I was quite right, that we ought to eliminate it. This was one place we could make some savings and have no adverse effect. It would also put cooperatives in the same position as proprietary firms. Well, we got by until we got into our final budget review. The co-ops then changed their tune, they went to Ezra, and he changed his tune, and so we put back the budget for a Farmer's Cooperative Service.

Scheuring: But you had been trying to strike the whole unit?

Coke: Yes, strike the whole unit.

Scheuring: What had their function been, historically or traditionally--research or advice? Or what do they do?

Coke: That's the question (laughter)! I was never really able to find out. They have people on the staff. They go to meetings and talk cooperatives but I never could find out what they really did to make them worthwile.

Scheuring: They had more value, say, in the past when the co-ops were just getting started?

Coke: They may have. But now co-ops are much more progressive and knowledgeable and sources of information are available to them. They don't need a government agency to lead them and guide them.

Scheuring: Now, am I saying this correctly, if I draw the conclusion that, to you, co-ops are merely an alternative form of business organization and neither better nor worse than proprietary organizations?

Coke: You're saying it correctly. I think the day when it was almost a "religion" to belong to the co-op is gone. A cooperative should stay in existence only insofar as it's able to perform an economic service.

Scheuring: So for a healthy market place, co-ops would be just another form of competing economic organization?

Coke: That's right. I suppose there are people who would argue with me on that.

Secretary of Agriculture and General Services Earl Coke presenting a safety award to Governor Ronald Reagan and Lt. Governor Ed Reinecke, about 1970.

Portrait of J. Earl Coke, 1972.

X. THE REAGAN YEARS: 1965-72

Appointment as Director of Agriculture

Scheuring: How were you called to come to Sacramento by Ronald Reagan?

Coke: He telephoned me and asked if I would accept an appointment in his administration as director of the Department of Agriculture. This in one way surprised me and in another way it didn't. I had not been a candidate for the directorship. As a matter of fact, I really would have been just as happy not to have been selected. At no time did I ask anyone to put in a good word for me. I did not know the governor. I had heard him speak, but I had never met him. So it was the influence of others that must have caused him to select me.

Scheuring: I understand that he had set up, after his election, a recruiting committee of nonpolitical civic leaders, who recommended you as director of agriculture.

Coke: Is that so? This I did not know. Well, that explains some things. There was another candidate, a person who was really a candidate and I think had caught the attention of the governor, and that was Dick Johnsen, who would have made an excellent director of agriculture. He, I think, was greatly disappointed that the governor did not select him. But Governor Reagan called me and asked me if I would serve, and I said if this is your pleasure, I would be glad to. I told him that I had heard rumors that there would be some conditions to my appointment, that I would agree to resign in a year or two, because of my age (because at that time, you see, I was 66). But he said absolutely not. He said, "There are no conditions whatsoever." He said, "I have cased this very well and I'm convinced that you'll make a good director of the Department of Agriculture."

Scheuring: Had you ever been involved in his campaign?

Coke: No way. As a matter of fact, I'd been so busy trying to put

Coke: Consolidated Agricultural Industries together I had not worked on the campaign. In one respect this was unfortunate, because he valued very much the people who worked in his campaign. And I think my influence with him might have been greater had I been an active member of that. But I wasn't, and that's the way it was.

Scheuring: A good many of his other appointments were political in nature in that sense.

Coke: In that sense. People had worked for him and he got acquainted with them on the basis that they were campaign workers. Now this was also a weakness at times in that he had people (in my opinion, and of course this is only my opinion) whom he appointed that had been active in the campaign and I'm sure that he appointed them because of that and not because of the quality of the individual. His administration therefore, I think, suffered some because he didn't always pick people who were as well qualified as they should have been.

I had one experience with this that is interesting. As you know, one of the departments that was under my jurisdiction, was the State Personnel Board. We needed to make a new appointment on the board. Now that's a ten-year appointment at $10,000 a year for a part-time job, so it is an attractive job. I had cased the country pretty well and was recommending a man by the name of Dr. John R. Van de Water , who was a professor at UCLA and had a wide experience in the field of employee relationships. He was a real technician and pro in the matter of dealing with employees. He had the additional advantage that he was very articulate and was a real leader in this field. And that kind of talent we did not have on the board because they were political appointees by and large. The governor knew John Van de Water and thought well of him. I had had John Van de Water at Sacramento to talk to our management forum in Sacramento, so that other people were acquainted with him and everybody seemed to be pleased with him. Ed Meese, the governor's executive secretary, was in favor of him. I thought we had this appointment set to go.

Well, we had a cabinet meeting at the governor's home in Pacific Palisades because he was on vacation. We had to have some things done and so the cabinet went down to meet with the governor. At that meeting, Ed Meese said to me, "Earl, let's talk about the appointment on the State Personnel Board." Well, I was a naive guy, I thought I'd cleared the way and everybody was ready to go with John Van de Water and this would be a very happy occasion. So I reeled off some of the things about him, how good he was, and I got through and there was a dead silence. And the governor with that embarrassed look of his that he gets some times, said, "Earl, we're not going to do it."

Coke: This really shook me because I thought I had the whole thing cleared. Well, it so happens that this was a political job; perhaps I'm making too much of it because this is one of the few times that he ever allowed politics to get in the way. But Anita Ashcraft, who was already on the State Personnel Board and very active in Republican affairs, had apparently caused the governor to change his mind about John Van de Water. She wanted some political appointee who had supposedly worked for him in the campaign. So we got our orders and I swallowed--but what that fellow knows about personnel problems you could put in a thimble. (Mrs. Ashcraft is one of the leading California Republicans now working for President Ford's re-election--not Governor Reagan.)

I'm saying this because it was an extraordinary experience.

Scheuring: So the governor was occasionally subject to these kinds of pressure . . .

Coke: Oh yes, he sure was. But he withstood most of it, and more power to him for it, because the pressures are great. People want to get paid off for what they think they have done.

Scheuring: Well, certainly in your case, he made a very objective choice; you were the recommendation of the recruiting committee.

Coke: As I said, I don't know what all the circumstances were on that.

Scheuring: What was the immediate situation after the inauguration of Ronald Reagan in January of '67? Was the transition a difficult period?

Coke: No, not at all. I knew the people pretty well. I knew many of the people in the Department of Agriculture, and knew their programs to some extent. The previous director, Charlie Paul, who was a very innocuous individual, made the transition very pleasant. He helped me with anything I needed. I didn't need too much but I was very fortunate in two respects. One was that his secretary, Dona Townsend, became my secretary and later my administrative assistant. She was a person with wide experience in government. She was a terrific individual and philosophically we hit it off together, so it was a very pleasant six years that we were together in government. And so I was exceedingly fortunate there.

The other fortunate part of it was that in the change of administration, a person by the name of Ray Long, who had been in the Department of General Services, was bumped because of some shifts that were made over there. He was bumped back to agriculture, and that was a great advantage for me, because he was a very capable individual. He knew government, and was a pro at governmental operations, and was, well, just an ideal person to

Coke: sit with me as he did, as my assistant administrative assistant. We went through many things that I think were of great advantage to the state. I have a very high regard for Ray. He is now in Arizona as the top administrative officer of the state of Arizona.

Scheuring: Did you have a choice of deputy director or was that also a governor appointee?

Coke: I inherited a deputy director whom I bumped. That was Frank Bennett. I had known Frank for many years. He was one of these people that believed that the more government you had, the better off you were, and we should have more government involvement in agriculture. He and I just did not see eye to eye. He was a holdover, so I got him pushed aside first and then he finally resigned, and that gave me the opportunity of selecting my own deputy.

The first one I selected was Dick Lyng. What I was after was somebody who had been in business, who had to pay attention to and operate under a profit and loss system. Dick had had his own seed company, which his father had started. It was very successful. When I found out that he was available, there wasn't any question in my mind that he was just the type of person that I wanted. And he proved to be that type of person. I lost him, of course, when Clifford Hardin, secretary of agriculture, told me, "I need an assistant secretary of agriculture, Earl, who would you suggest?" And I said, "My first suggestion is Dick Lyng." And so Cliff got him appointed as assistant secretary of the United States Department of Agriculture.

Scheuring: A position that you had had previously.

Coke: Yes, it's a position I had previously.

Scheuring: Isn't it true that under you, with your background, and Dick Lyng with his, that the department was processor-oriented rather than grower-oriented?

Coke: I don't think that's a fair question. I don't think there's any difference. As a matter of fact, I was in the processing game when I was with Spreckels Sugar Company--and people tried to wedge a gulf between the processor and the grower. There's no difference. We had to be in business for a long time. We had to do things that were good for the growers, otherwise they wouldn't grow for us. Of necessity we had a mutual interest in a good working relationship. What made it difficult was that frequently trade association management found it to their advantage to stir up dissent.

Scheuring: What were your immediate concerns on becoming director of agriculture? Were there problems that you wanted to zero in on right away?

Coke: Well, the first thing that hit me when I sat down at the desk, was a suit that the state Department of Agriculture had brought against Hershey Chocolate. They were about to close their plant down, out at Oakdale near Modesto. They had built a new plant and there was a regulation that required that milk in one room be separated from another room. They had that except that they brought the milk from this one room into their blender and there was a question of whether Public Health or the Department of Agriculture would supervise this. Hershey didn't want the Department of Agriculture in their main processing room because they had some very secret methods of manufacturing their product and they were very touchy about who went in.

Well, I couldn't see any reason for a suit against these people. They weren't doing anything that was wrong. I went to the attorney general--the whole docket was set up to take them to court and close them down--and I said, "I don't care, they may fire me for this but I think this is not a right thing to do. I'm ruling that we abandon the suit and that they go ahead and operate." I never heard another thing about it after that.

Scheuring: What had been the issue in the suit? Was it a public health kind of thing or what?

Coke: No, it was jurisdictional. The Department of Agriculture felt that in their milk inspection they should have followed the milk clear through to the blender. But it was absurd. Well, that's a small thing and yet it sticks in my mind as the first thing that hit me.

But the department had been running very well. There were good people in it. They were doing their job. And I saw no need for any radical changes in it.

Agricultural Commissioners and the State Department of Agriculture

Coke: We did have some problems with relationships with the agricultural commissioners. As you know, it's a rather peculiar setup in that the state laws require the Department of Agriculture to carry out certain regulatory functions, but the department doesn't have the staff to do all of them. Some have to be done by the agricultural

Coke: commissioners, who are appointed and paid for by the county--the county board of supervisors. So the department has no real jurisdiction over them. And yet the department must depend on them to carry out the laws of the state. It's a very peculiar setup, and one that you might say couldn't work--but it does work, because we maintained good relationships with them, or tried to. The agricultural commissioners were somewhat unhappy about some things when I came in, and so we spent many hours working with them, making them feel that they were part of the Department of Agriculture. And so as far as I know, everything is going along well now.

Scheuring: Well, one can see just theoretically how an agricultural commissioner might feel about enforcing certain regulations, if his loyalty lies more with his constituency in the county.

Coke: And the guy that pays his salary. That's right. I can understand the possibilities of conflict all right, but the legislature and the state laws put the department in a peculiar position to supervise people that they can't supervise.

Scheuring: Is there an agricultural commissioner in every county?

Coke: Nearly every county. I think every county.

Scheuring: And are there regular meetings with the county commissioners and the Department of Agriculture?

Coke: Yes.

Scheuring: Would they come to Sacramento?

Coke: Mostly Sacramento. They have their own commissioners' organization--kind of an internal organization. They meet regionally, but they would always invite somebody from the Department of Agriculture to sit in on those regional meetings because we were interested in making the operation of the department more successful.

Scheuring: The Department of Agriculture has been largely a regulatory agency rather than a policy-setting department.

Coke: That's right, largely regulatory. Herein was a problem. The Extension Service deals with the same clientele as the agricultural commissioners, but the Extension Service is supposed to be an educational organization and not regulatory. And yet these are fine lines--and you have to have a mutual understanding and a mutual respect to make this work. I tried to bring the understanding between our two organizations together so that administratively there was no question who was to do what. We had respect for each other. And if there were problems, we had a means of trying to straighten them out.

Coke: So far as I know the relationship between Extension and the commissioners is now good. But at one time it was not.

Scheuring: Do you feel that the Department of Agriculture should have some policy-setting role in terms of developments in agriculture? Or should it remain as a regulatory organization?

Coke: I think it should remain largely regulatory because that's what they're trained for and that's what they're good at. And I don't think they have the kinds of people in the Department of Agriculture that should spend their time on policy matters.

Scheuring: Well, I'm thinking of longer range matters, like land use, pesticide regulation, environmental matters.

Coke: Well, of course, in pesticide regulation and to a considerable extent in environmental matters, the Department of Agriculture has a real voice now--more so than Extension. And so it is not quite right to say that they are without their policy-making responsibilities. They are there, and they do make them.

The Coke Administrative Philosophy

Scheuring: What about the famous "cut, squeeze and trim" philosophy of Reagan--how did that affect the Department of Agriculture?

Coke: It was not a serious problem because, while the budget was cut (and we cut, if I remember correctly, 10 per cent the first year), most of that was done through attrition rather than actually letting people go.

Scheuring: You mean by not filling positions that became vacant?

Coke: That's right. We just didn't fill those positions; the turnover is always great. That doesn't give you the kind of organization you may want, but it's the best you can do on a reduced budget. I was highly in favor of the governor's attempt at reducing the size of the state government. What disappointed me about this effort was that he let up on that in the latter part of his administration. I'll give you one example.

I felt so strongly about this that when I became secretary of the agency and set up the agency office, I had only my assistant agency secretary and two girls, eventually three girls, including Dona as administrative assistant, running the whole agency office. I operated in one fairly large room without private offices. There is a story in that that maybe I should tell.

Scheuring: Yes, I think that's quite interesting.

Coke: James Stearns, who took my place as agency secretary (who was not recommended by me) had fifteen people, I am told, in the agency, and spent $160,000 in establishing elaborate, beautifully decorated offices. I think this is all wrong. And I couldn't see how the Reagan administration could go along with it. Now, it's true that all of the other agency secretaries had elaborate offices, and large staffs. But it didn't fit my belief in the kind of thing that the governor was after, and that was economy in state government. I didn't give a damn about decorating offices.

Scheuring: Let me trace this a little bit. When you first went to Sacramento you were director of agriculture.

Coke: That's right.

Scheuring: And you had those offices on the ground floor of the Agriculture Building on N Street.

Coke: That's right. Where the director of agriculture is now, the same suite of offices. But they have improved them very much.

Scheuring: And when you became the agency secretary in a matter of a year or so, you kept the same office?

Coke: I moved across the hall. I stayed in the same building, but we took a room across the hall, and had that redone for us.

Of course, I had worked for the Bank of America for ten years. The executive officers of the Bank of America were housed on the thirteenth floor of 300 Montgomery Street in San Francisco. And all of the executive officers except the president were in one room; it was a large room, well carpeted and well sound proofed, with each one of us having our secretaries sitting at a desk just ahead of us. It was kind of an odd structure. You'd walk in there and you'd see this row of desks around the room with the secretaries at them, and in back of them were these officers. I just thought it was great because it gave a real sense of belonging--we didn't visit very much, but at least we weren't alone. When you go into a job where you're in an individual office, you close the door and you're alone--and you don't know what goes on. Well, I always knew what was going on in this bank situation. If I needed to communicate with somebody I knew if he was there or wasn't there, and it made communications so easy.

Scheuring: Is that a typical banker's setup for executive offices?

Coke: Well, they didn't follow it completely in the new building. They've

Coke: given them somewhat more privacy although it is still kind of an open affair.

People don't always like it. They like to have their cubby holes. I don't understand it. To me it's a lack of security on their part. If you have your own office where you can close the door and it's you and it's yours--that's a bit of security, I guess.

Nobody in state government followed my example. Mine was the least expensive office of the group. I had my two secretaries, Dona my administrative assistant, my assistant secretary and myself, all in this one room. My assistant agency secretary and I were separated only by a cloth screen--a loosely woven cloth screen--so we could see each other. Well, the method of operation under that was great. I knew where they were, they knew where I was. If I ran into a problem or a call would come that somebody else should take, I could say, "Dick, will you pick up the phone and talk to so and so about this?" And the girls knew what was going on all the time. This is something that some people don't like, because they think that they ought to be able to keep things from their secretary. But I'm convinced that a secretary knows more about what's going on than anybody else, and that there's no way in which you can hide things from your secretary. Oh, you may for a short time, but they're smart enough to put two and two together. I'd rather have it open where they could listen to all the conversations if they had time and wished to do so, and they'd know what's going on--then they're better secretaries. I even think confidentiality is better guarded under that condition than when you try to hide things and try to be secretive about this and that and the other thing. And I'll tell you this--I know it makes for a working relationship that is so much better, because they all feel like they're a part of your organization.

Scheuring: Dona speaks highly of this. She thought it was the best method of operation she'd ever worked under.

Coke: She did? Did you talk to anybody else about it?

Scheuring: Martin Huff, the executive officer of the Franchise Tax Board, who was in your agency. He even drew me a map about how the office was (laughter). He said that he thought it was extremely efficient and really promoted good feeling.

Coke: But nobody wants it!

Scheuring: Yes, that's kind of strange . . .

Coke: I don't think it's strange, I think it's just a feeling of insecurity

Coke: on the part of some people. Take the governor's office. Every time a new person was put on the governor's staff (and they were doing this frequently), they would rebuild the governor's office suite until they had a whole cluster of cells--little cells in which they housed people. To me it's the most degrading thing that can happen to a person to be set in a little cell! It would have been so much better if the governor's office had cleaned out that whole section over there and put them at desks around the room. I am not, of course including the governor in this comment.

Scheuring: Do you think it takes a very special type of person to be able to operate in this kind of a very open structure?

Coke: Yes, I think so. You have to be fairly sure of yourself.

I was deeply concerned that being of the age I was that I might slow things down. I've seen so many times when older people got into top positions and then they became inflexible. So I wrote a letter to the governor soon after he appointed me as secretary of the agency and I said, "Dear Governor, you did not know me very well when you appointed me director of agriculture. The kinds of operations that I'm undertaking now are different from those you originally hired me for. I don't want to stand in the way of the development of your administration. I fully believe in it and I think you're on the right tract and I want to see it go. If at any time, governor, you find that it would be better if I were not on your staff and you want to replace me, I know I serve at your pleasure. You do not have to give a reason for me leaving. All you have to do is to give me a nod and I'll give my own reason for leaving which will be in no way political. It will be understood by everybody that I'm leaving on my own accord, so as to cause you no trouble whatsoever." Well, he wrote me a very nice reply on that. He has the letter.

Now that was a dangerous thing to do because if Ed Meese, for instance, didn't like me, he could have used that to influence the governor to get rid of me even though the governor didn't want to. But I had confidence not only in the governor but in Ed Meese, that this offer would not be abused, and I felt much better having done that.

We discussed this at a breakfast meeting of the cabinet one morning. The matter of resigning came up and so I told what I had done. I said, "I think it would be a great idea if every cabinet member would give a similar letter to the governor." I got a cold response (laughter)! But other people couldn't be as free as I was.

Scheuring: I understand that as agency secretary you relieved several people of their positions in the agency.

Coke: Only three. I feel that a good administrator has the resonsibility of having competent people on his staff. One reason I only needed the five people in my agency was that I left it in the hands of the departments to run their own shops. If they ran okay, that was fine. If they were not doing okay, then I got rid of the individuals. In my time up there, there were three department directors whom I disposed of to the advantage of the department, and to the advantage of the state, because they were not doing their jobs in an adequate way. I just fired them even though I had to take the heat you get whenever you relieve somebody of their position.

Scheuring: These weren't civil service positions?

Coke: Oh no. These were appointees--the governor's appointees. And I had to first get the governor's approval, because in each case they could go back to the governor and plead for continuance. If the governor would say with with me (as he always did), then I could go ahead and do my job of telling them that we no longer needed them.

But I think that is the key to the success of an agency. Building staff to surround somebody incompetent isn't good. And one reason why we got by with the size staff in the agency that we did, is because all the staff were capable.

Scheuring: Had Governor Reagan made some appointments without checking them out first?

Coke: Well, yes. His original appointments were made before the cabinet was formed, and therefore what checking he did or with whom he consulted, I have no knowledge.

Forming the Governor's Cabinet

Scheuring: Why don't we talk about the whole administrative reorganization? Because that's quite significant. Whose ideas were prominent in the reorganization? Were you involved in the planning?

Coke: No, primarily it was Bill Clark, who was the governor's first executive secretary. Bill was the one. There may have been others, but as far as I know from where I sat, it was Bill Clark who said, in effect, "We want to have a cabinet system here and let's get it operating."

Well, we had troubles. We had lots of troubles at first, because we didn't understand the system. We had people in the

Coke: cabinet who were jockeying for position. It wasn't until about the time--I guess it was about the time Bill left, or a little before that--that the person who had been the secretary to the cabinet changed his position and Bill asked me if I couldn't do that job. And so they made me assistant to the governor for cabinet affairs. I kept my other position as secretary of the agency.

Scheuring: You felt that you were going in as a trouble shooter?

Coke: I was going in because I believed in the cabinet system and I wanted to see it work. And Bill wanted to see it work. I knew I had his support, and then when Ed Meese came in we had his support. The thing that we had to put over was that the cabinet made no decisions, and this was a hard one to put over. We all thought we were darned important and that we should make some decisions. But it was the governor who had to make the decisions. Our job was not to make them, but to provide the facts to the governor so that he would understand all sides of a situation, and then he could make the decision.

Scheuring: In a sense you were an advisory body? You made recommendations?

Coke: We could make recommendations, but we were not to be advocates. And yet that's what we frequently became--advocates, some of the secretaries far more so than others. They were not always willing to leave the decision to the governor. But, after all, Governor Reagan was responsible for the success of his administration. He had to make the decision whether it was yes or no and which way to go.

Our job was to get the facts to him. Now we didn't do a very good job of that many times, but we worked in that direction, and I think the governor became probably the best informed administrator of state government that has ever been in existence. We had systems that we worked out, which were intended to expedite the flow of information.

Our basic system was--and this was a Bill Clark innovation--what he called a mini-memo. It was supposed to be a one-page memo that we would provide on any subject that was to have cabinet attention--that is, the governor's attention through the cabinet. The memo gave the basis for the discussion. It was hard sometimes to get all the aspects of an issue on one page.

Scheuring: I can imagine (laughter)!

Coke: And so some of the agencies went to the extent of buying typewriters with very small print . . . (laughter). Then we had a form set up

Coke: and they would type all over the margins and everywhere until it was almost impossible to read.

Scheuring: But it was on one page (laughter)!

Coke: It was on one page. We gave up on the one page, finally, and allowed a couple of pages, but at least they kept the size down. This was supposed to give the crux of the information. This one-page mini-memo was supposed to be delivered to the secretaries and the governor and others who attended cabinet meetings, about four o'clock on the day previous to the cabinet meeting. We followed that pretty well. And that gave us a chance then to read the memo and do some research work on it if we needed to, so that when we came to cabinet the next day we could ask the questions and take a position if we wanted to.

Scheuring: How frequent were the cabinet meetings?

Coke: We had cabinet meetings usually twice a week. The governor almost always attended. This is what made the cabinet work. If the governor hadn't attended, if he thought this was something beneath his dignity, not worthwhile, and had not attended, the cabinet system would have failed. But he attended very regularly unless he was out of town or something came in the way. He felt that it was of value and as a result, we felt it was of value, and we then put the time and effort into trying to do a good job.

Scheuring: Was this supposed to be modeled after the president's cabinet in Washington, D. C.?

Coke: Yes. But it was much better than any federal cabinet operation that I know of. Eisenhower probably operated the best cabinet of any president for a long time because, being military, he had a staff procedure, and he used the cabinet for exactly what he wanted. But he did a lot of things outside the cabinet too. In this case, Governor Reagan did almost everything within the cabinet, so we felt like we were a real part of his administration.

Scheuring: Who were the members of the cabinet? Let's take them by title first and then by name.

Coke: Well, there were the secretaries of the agencies.

Scheuring: That's four secretaries?

Coke: Four secretaries, the director of finance, and the executive secretary--that composed the cabinet. Of course we usually had a room full of hang-arounds too, who got in there for one reason or another, mostly just to be there. Most of them contributed

Coke: nothing except to take up space and it would have been better to have ousted everybody except the cabinet, except on the occasions when we needed expert advice on a particular problem. We did do this: whenever an issue came up, something that was really technical, in other words difficult to understand, or was of great importance, we were permitted to bring, say, the director of the department involved to the cabinet meeting, so that he could help explain and answer the questions that might come up regarding the issue. So we did bring outside people in, but they were in there only for the time of that discussion and then they would leave. I guess I sound kind of harsh on this, but I think I am because these hangers-on were a detriment to us rather than a help.

Scheuring: The whole cabinet organization came into being about a year after Reagan took office, is that right?

Coke: It was earlier than that. Well, wait a minute. I started out as director of agriculture, and then I became secretary of agriculture, a position that put me in the so-called cabinet. And then I made a plea for enlarging the scope of my operations. It pleased the agricultural community that the governor would anoint agriculture with a secretary, but it was really a useless kind of job. There were not enough problems involving agriculture to warrant having a special seat on the cabinet.

So then we came through with this agency setup wherein we took the administrative departments of the state and divided them among the secretaries. Most of them fell logically into categories; it was easy to identify the departments that had to do with resources, for example. And so on down the line, except when you came to money. I was kind of given what was left over. Governor Brown, previous to our coming in, had had trouble with agriculture when he also wanted to combine the departments into larger groups; he had proposed that agriculture be put in with resources, but agriculture just blew its top and stopped him from doing it.

Scheuring: Why was this? Because they were afraid of environmental controls?

Coke: Well, the environmental issues at that time weren't so prominent. We weren't talking environment then. But agriculture didn't want to be tied in with the other resources. They wanted to be by themselves. So we figured we had a problem that we had to meet if we were going to put agriculture in a group of other operations. I told the governor, "I think my relationship with agriculture is such, that I can convince them that an agricultural and services agency (where I or somebody with strong agricultural ties would be secretary of that agency) would be advantageous to agriculture, rather than detrimental, because the agency then would be an important part of the total cabinet operation. Whereas if I were just plain

Coke: secretary of agriculture, I would be an unimportant part." I said I thought we could sell it and we wouldn't have to go through the agony that Governor Brown did, who also almost lost his shirt doing it.

Scheuring: This was your idea then, to combine agriculture and services, that whole present combination of departments?

Coke: It was a cabinet idea. Maybe I proposed it; I didn't see any other way of combining it. So the governor said, "Okay." And I started out on a campaign talking with my agricultural friends--I ran it through the "Executive Bulls," for instance--and we had no trouble whatsoever in putting over the agency concept because we had consulted them and sold it to them.

Scheuring: Previous to the agency concept, directors of individual departments had reported directly to the governor, isn't that true?

Coke: That's the way it was set up on the chart.

Scheuring: Very inefficient?

Coke: Very inefficient. And they didn't really report because there wasn't time enough to report. So with this agency system, I had the responsibility for my ten departments, and I would take matters concerning them to cabinet. I could get urgencies to them almost immediately because they were meeting twice a week. Communications were operationally very successful because we could get answers and get them fast.

Scheuring: It was kind of a funnel-in process from the various departments and agencies to the governor?

Coke: That's right, and back!

Scheuring: This administrative reorganization had to be approved by the legislature?

Coke: That's right. But since we didn't have any opposition, that went through in good shape.

Scheuring: You feel that it was a very successful kind of reorganization?

Coke: I do, and I think it was terrifically effective. But again I say it was effective only because the governor wanted it to be effective and it was his attitude that made it so.

One of the indications of the governor's willingness to go along with the cabinet system is that he had "hot" phones put into the offices of the cabinet, and the director of finance. Now,

Coke: I don't know how frequently they were used. They were direct lines to him personally; I could pick up that red phone and it would ring in his office without going through anybody. He wanted it that way--he wanted the idea to get over that we could go to him directly, we didn't have to go through anybody, and that he could come to us directly. But we didn't have to use the phones often because we met in cabinet sessions so frequently that the problems we had could be taken care of there almost immediately. But it was a nice feeling to have that phone on your desk and know that you could pick it up, and he'd be right with you.

Scheuring: If there were a crisis of some kind, you could immediately contact him.

Coke: Yes. That was good.

Views of Ronald Reagan

Scheuring: What was your view of Governor Reagan as an administrator?

Coke: I liked Ronald Reagan. At the present time [February 1976], in fact, to be political, I think he would make a wonderful president of the United States. He is willing to leave to people who have administrative ability the responsibility for administrative operations. He's smart enough to know that he can not be administrator of everything, but he is also smart enough to know that he has to take the responsibility.

Scheuring: He chose his administrators skillfully?

Coke: Yes. In Sacramento he had his administrative assistants, first Bill Clark and then Ed Meese, both of them very capable, and then he had his cabinet, most of whom had certain abilities. Then he had the directors of the various departments who had administrative ability, and he didn't try to run the show as governor in every detail (as Jerry Brown is now doing).

Scheuring: Did you see Governor Reagan more as a policy-maker than as an administrator?

Coke: Yes. Of course, we had a close relationship with him, meeting with him two or three times a week in the cabinet. All the problems that we had (or he had) were being discussed there and disposed of right then. We all recognized, or tried to keep recognizing that he had to make the final decision. We provided information input but he had to take the responsibility for the prime decision, which

Coke: he did gladly. He would analyze the information that we presented to him, and he didn't go off half-cocked on something emotionally, except once or twice.

Scheuring: You had a lot of respect for his analytical powers?

Coke: Yes.

Scheuring: Was he an easy person to work with?

Coke: Very. Very consistent. And he was available, and a delightful person. I think the great strength of the governor is his ability to inspire people to be better than they really are.

Scheuring: That's an important asset in a leader.

Coke: I should say it is. I suspect that one delightful part of being in the governor's cabinet were those times when we had to be around waiting for the state legislature to pass a budget bill, because we would have no time after they got through with it to sign it and make it effective. So there were several times that we'd wait until 12, 1, 2 or 3 o'clock in the morning and we'd sit around in the governor's office and chat--and he is the most delightful person when it comes to entertaining. He loves to entertain. He's good at story-telling, relating incidents of things that have happened about people and so on. He's a very human guy. I guess his weakness is that he has an awful soft heart and he gets involved with people, and does things for people that a different type of administrator would not do. It's a weakness but it's a great strength too. He's a human person. How's that for a political speech at this time? (Laughter).

Scheuring: It's quite a tribute.

Reagan's Efforts at Budget-Cutting

Scheuring: Can we go back to the budget process? I'm still interested in the effect of Reagan's budget cutting on agricultural programs. You said, for example, that by process of attrition, some salaries were simply cut out of the budget, but were programs also cut? Any kind of regulatory programs, or research programs?

Coke: In the Department of Agriculture I don't think we cut out anything. We did some shifting of the expenses of the operations. For instance, we had the beet leaf hopper program that was financed by public funds through the Department of Agriculture. We felt that

Coke: this was a program that was largely beneficial to growers, and considered shifting the costs to those who benefitted. But then we ran into the problem, what growers? It was beneficial far more than just to beet growers. The tomato growers, bean growers, all benefitted by reduction in the beet leaf hopper. So there was a compromise, which consisted of some financing by the growers, but still some financing from public funds.

Scheuring: So at least in some cases, the costs of programs were shifted?

Coke: They were shifted to the people who were recipients of the benefits. If you could identify the recipients.

Scheuring: Most of the programs in the Department of Agriculture, the regulatory ones, are legislatively mandated anyway, aren't they?

Coke: They are, that's right.

Scheuring: Then they couldn't be cut, in the usual sense?

Coke: Not in that sense, that's right.

Scheuring: What about research?

Coke: Well, research is different. The Department of Agriculture is excluded from doing research.

The problem with state-supported agricultural research is trying to push through the maze you have to go through to get down to the research worker. A general budget is submitted by the president of the University to the director of finance and goes up to the governor; then the director of finance goes over it and makes certain recommendations and certain cuts. (This is on a broad basis.) The governor then may say, for example, we've got just so much money and we're going to allocate to the University so many dollars, and the budget then goes on to the legislature for final approval. The University then allocates the money that they do get to the various programs. And so, when one says that the University's budget has been cut, that is true (if it is true), but where it is cut is largely up to the administration of the University.

Some of my friends in the University, I think, really got off on a bad tangent when they started criticizing Governor Reagan for his cuts in the University budget. Hell, he never made a cut in the University budget--he just didn't give them all that they had asked for. But every year he had a recommendation for the University for a larger amount of money than they had had the previous year. But they really damned him up one side and down the other.

Scheuring: There seemed to have been a real conflict.

Coke: That's right. Yet Governor Brown (Jr.) has been as conservative as Reagan.

Well, after the University gets its budget appropriation, then they allocate it for various purposes. In recent years, they have been allocating funds without much regard to the need for agricultural research. I think this is a great loss to the people of this state, well, the whole nation, because the University's past record of research in agriculture has been such that it has benefitted the people of the whole world, as a matter of fact. We have increased production or we have reduced costs--they've done a great job. For us to reduce the funds for agricultural research, I think, is a real calamity.

Scheuring: But the reason that research has taken a lower percentage of the total budget was a decision made in the University hierarchy, not a result of a Reagan recommendation?

Coke: That's right.

Scheuring: Did you agree with Reagan generally on University matters?

Coke: Yes, I agreed with him. But I do feel the governor was ill advised in his operations with the University.

Scheuring: What about budget making? We've been talking about this to some extent. The director of finance was Caspar Weinberger for the period you were there, wasn't he?

Coke: Part of it--well, most of it.

Scheuring: And he prepared the budget? Or was budget preparation a matter of input from the agency secretaries, recommendations made in that way?

Coke: Well, this was a transitional thing. It kept changing a little. The total budget, of course, was something that we discussed at cabinet and the governor had a great input as to how much money we should be spending. Then the total budget was broken down to units, and by departments. There might be general agreement that we would take a 10 per cent cut or something like that. To make it uniform, this directive was sent back to the departments. The departments then had the responsibility of going to their agency secretary with their individual plans. We had some guidelines for them but sometimes they would shoot for more money than the guidelines called for. The agency secretary then had the responsibility of taking those presentations to the cabinet, and here is where we had some real problems.

Personalities in Reagan's Cabinet

Coke: It was Caspar Weinberger's idea, I think, that he wanted to operate like the previous director of finance, Hale Champion, in Governor Brown's administration. Hale really ran the state of California. And I think it was Caspar's idea that he was going to run the state of California--to hell with the cabinet--and so we had many interesting times in trying to convince Cap that the cabinet was not going to stand for another Hale Champion. Finally, I think the cabinet succeeded. The budget process--debating how the departments operated and what funds were allocated--put a real burden on the cabinet. It would have been much simpler to have said, "Okay, let the director of finance set up the budgets, and we'll abide by his decisions." But the cabinet didn't feel that was right--and the governor did not want it that way.

Scheuring: Verne Orr was Weinberger's successor?

Coke: Yes, when Cap went to Washington, the governor appointed Verne Orr as director of finance. Then there was no problem, because Verne was no dictator.

Scheuring: Who were some of the other key figures in Reagan's administration?

Coke: We were exceedingly fortunate in having as the executive secretary to the governor a person like Ed Meese. He's an attorney, and has a nice way about him. He didn't try and push anybody. He could analyze situations better than anybody I've ever known. He would sit in the cabinet room and listen to the discussions that went on about issues. Some of them got pretty involved, and it was hard to sift out what was the wheat and what was the chaff--there was usually a great deal of chaff (laughter). And yet Ed would be able to do that, and he would say, "Governor, seems to me the situation is thus," and he would go one, two, three, down the line. So the governor had something very definite on which to make a decision. He was a delightful person; I loved to work with him. Like most attorneys, Ed had a desk that looked like he had left all of the paper in the country for the last year on it, but he always knew what was there (laughter). He could pull it out. I think the governor can give to Ed a great deal of credit for the success of his administration. I hope he does, I don't know, I've never heard him.

Scheuring: Was he there the whole time?

Coke: No. Bill Clark was there at first, and then Bill got the appointment to a judgeship, and left. Bill has four or five kids--beautiful family--he bought a ranch near Paso Robles, and moved his family there, and commuted for his judgeship.

Scheuring: There was actually only one other cabinet member who stayed longer than you, wasn't there?

Coke: That was Ike Livermore. Yes, Ike and I used to tangle quite a bit. Ike knew I disagreed with him and we joked about it. I would be for something or against something and Ike was usually on the other side. Philosophically we disagreed on many issues--but Ike seldom got into extended discussions of anything except as it affected redwoods (laughter). We used to kid him about that--whenever Tahoe or the redwoods came up, he'd talk on and on and on . . .

Scheuring: He was an ardent conservationist?

Coke: Yes, he was, but he confined his strong speeches to redwoods and Tahoe. He was an advocate, which as I said before, I don't think a cabinet person should be. So he clashed with some of us on some issues. Of course, the governor leaned toward the Livermore way. I'll mention a couple of those issues later.

Scheuring: You wore two hats for a while, as agency head and as special assistant to the governor. What did you do as assistant to the governor?

Coke: Cabinet affairs. I "ran" the cabinet. I looked over the issue papers that came in to determine if they were properly documented; we made sure we had the right people to provide information on an issue if we needed outside help.

Scheuring: You were assistant for cabinet affairs for nine months?

Coke: Something like that. Of course, Dona Townsend came over with me and she did two jobs too, which was most helpful, because she'd keep the minutes and kept track of what had been said and what needed to be done.

Scheuring: It must have been very time consuming?

Coke: It was, but it was very interesting and I think we got over what we wanted, and that was a cabinet system that really worked.

Scheuring: Did Governor Reagan himself rely a good deal on the cabinet for advice, or was he quite firm that the decisions were to be his?

Coke: He was a good listener, but sometimes he'd get bored with us. There was a painting hanging on the wall of the cabinet room by Grossman, the artist who painted the picture that Nancy and the governor gave Billie and me when we left Sacramento. It's a scene in Marin County--green hills with cattle on them--a beautiful thing. He said to us one day, "You know if I look like I'm

Coke: not listening, and I'm looking off at that hill, it's just that I get so bored with you guys (laughter) that I imagine myself riding the hills on my horse. Forgive me!" (Laughter).

Scheuring: It sounds like he had a bit of humor.

Coke: Yes, he has a real sense of humor.

Scheuring: He is a very decisive personality?

Coke: Yes. He didn't quibble.

Scheuring: I've read a little about Earl Brian. He was young and evidently not really very experienced and yet he had a great deal of influence with Governor Reagan as far as some of the health programs were concerned. Wasn't he in the cabinet during part of the time you were?

Coke: Yes. He came in quite late. He's a brilliant person. He has a medical degree, and a law degree. I don't think his judgment is dependable, however. The governor apparently, however, was impressed with him.

Scheuring: He did have some influence with Governor Reagan?

Coke: I have no way of knowing. The governor likes brilliant people. He likes the Bill Buckleys!

Conservation Issues

Coke: We had an issue that came in quite early in our cabinet program; one of the departments recommended that we do a complete job of planning for the whole coastal area. Well, the definition of coastal area was so broad that it took in almost the whole state. The plan took away private property rights--government would take over. The governor listened to this discussion and sat back and said, "Well, I realize that something needs to be done, but I'm not sure what." He said, "I need to get up on top of a mountain and stay there long enough so that I can resolve this issue." I don't think he ever made the top of the mountain.

Scheuring: That issue has yet to be resolved.

Coke: Yes. We had another very critical issue and this had to do with the building of the dam up at Round Valley. If the state built that dam, two or three things would result. Enough water would

Coke: be impounded so that we could fulfill the contracts that the state has made for the delivery of water to the water project, and also the great hazard of flooding on the Eel River would be eliminated. So the plan had at least two great benefits. It would also provide an area for recreation.

Now Ike Livermore was very much against it. We would have to relocate a few Indians. Apparently they'd been relocated once and this would have be another relocation. It also meant covering beautiful Round Valley.

I knew Round Valley very well. My father had taught school at Covelo (the only village in Round Valley) and I had visited there. From an economic standpoint, Round Valley has little to offer. As far as that was concerned, except for a very few individuals, the local economy of much of the north coast would be enhanced by the dam.

So we had many arguments. I was in favor of building the dam, which was probably a mistake, because Ike, of course, was just as strong on the other side. Well, the governor finally decided that we would not build the dam. I do think we shall regret this decision.

But it was an executive decision and Governor Reagan made it. We presented all the facts that we could get.

Scheuring: Could that decision be reviewed again?

Coke: Sure.

The Waning Influence of Agriculture in Sacramento

Scheuring: How much influence did agricultural organizations have in Sacramento?

Coke: They used to have a great deal. Particularly when the legislature was made up of representatives from rural areas.

Scheuring: In 1966 the Senate was reapportioned, and that made a real difference?

Coke: That's right. A real difference. From 1966 on, agriculture has lost out to the point where in the legislature as well as the present administration, agriculture has almost no clout in Sacramento.

Scheuring: Just as a footnote, would you say this was reflected in the first appointments to the new Agricultural Labor Relations Board? The Farm Bureau and other agricultural people are coming out really strong against those appointments.

Coke: Of course. The present Governor Brown has made use of none of the old guard in agriculture. This may be good--I don't think so, but it's pretty disturbing to the people who are the "leaders" in California agriculture.

Scheuring: Well, let's talk about when you were there. Who were some of the more influential organizations?

Coke: When I was there, the Agricultural Council of California (that's the co-op group) and Farm Bureau were still important, although Farm Bureau had lost a great deal of its strength over the years.

Scheuring: Wasn't Allen Grant president of the state board of agriculture while he was president of the Farm Bureau?

Coke: Yes, he was president of the state board. I don't think he had a great deal of influence on Governor Reagan, or on the state legislature. Not as much as some previous presidents of the state board have had.

The Executive Bulls

Scheuring: Who were the "Executive Bulls"?

Coke: Way back about twenty years ago, I guess, Dick Johnsen, Allen Mather, and Bill Staiger, who were at that time employees of the Agricultural Council of California, decided that it would be a good thing to get together a group of agricultural people in the state who were not the principals in their organizations but the working managers. So invitations went out from them to about twenty men; they got together and we (I was a member) named ourselves the "Executive Bulls".

About twenty-four or twenty-five people have usually been in the group over the years. It is not a formal organization. We have no bylaws, no dues. We keep no minutes. We take no action. But twice a year we get together from a Friday noon, to Saturday noon, and we talk free and easy, and "no holds barred." All of us were involved in agriculture, though we did not own principal interests in anything--let me explain.

Coke: For instance, we would have not the president of a cooperative who was a member of the co-op because he owned property. We had the manager--the paid operating head, instead--after all, these were the men who know what's going on. He's the fellow who has to really propose decisions for the co-op, and so he is the power center for that co-op. I was in the Bank of America at the time I became a member.

I'll say this--this group of people probably had more influence in influencing agricultural policy in the state than any other group. And yet we did it without committing ourselves to any course of action. No one was committed to do anyting as a result of our discussions. But meeting twice a year, we were able to get the other fellow's point of view and find out what was going on, and then through our own contacts we could get things to turn.

Scheuring: How were people invited to join the group?

Coke: Some member would suggest a name; but one objection and he was black balled. Actually we excluded, in my opinion, a number of people who would have been valuable members.

Scheuring: Invitations were extended to people who were, as you say, power centers in their organizations. Was it directly related to their position then? Or was it more a matter of the personality?

Coke: Both. Some were excluded because of personality; but we were primarily interested in getting people who had to make decisions for their organization. When I discussed with the "Bulls" the problem of the agency reorganization, I used them as a sounding board to see whether I was on proper ground, and if I could get support. I never asked them for support. But I was pretty sure they wouldn't cause trouble when we got through discussing it.

Scheuring: Then these were people from all up and down the state?

Coke: All up and down the state. And they were from banks, they were from co-ops, they were from education. We had a very broad representation.

Scheuring: Was it a floating membership? People would come in for a few years and then leave?

Coke: They'd come in and then they would either die or retire. Some of the people retired and still stayed on. But if anybody missed three meetings they were out. You didn't even ask them.

Scheuring: That would be a year and a half. Do you still attend meetings?

Coke: Yes, but I think I'm going to quit, because I think I'm reaching the end of my usefulness.

Scheuring: Who were some of the other people that were in it?

Coke: Dick Johnsen. Actually Dick was the primary organizer of it and a real power in the organization. Bob Long of Bank of America was a member. Al Buffington, president of Diamond Walnut; Allen Mather, who was at one time president of SunMaid. From the University we had Chet McCorkle, and then he missed his three meetings and we just kicked him out without any ceremony. Then we had Jim Kendrick of UC and the president of Cal Poly at Pomona, Bob Kramer.

Scheuring: And then there was usually somebody from the state, in some way, like yourself?

Coke: No, I was not there because of service with the state. We had nobody from the state. I was in it before I went into state service.

Scheuring: I suppose some people would object to that type of group having a great deal of influence, because their meetings wouldn't be public, and the issues discussed would not get public feed-in. How do you feel about that?

Coke: It was a private group of men who wanted to get together and talk about things to have a bull session. Since we weren't taking any official stand in anything, how could anyone object? We've been together for about twenty years and we've run across no problems. I know there were a lot of people who would have loved to join, and there were lots of people who could have benefitted the group also. We did have trouble keeping the size down, because it could easily have grown so large that we'd have a conference rather than a bull session.

Scheuring: What have you discussed in your meetings?

Coke: Everything that has an effect on agriculture. Politics, labor, control programs, the general economy: everything that can remotely affect the future operations of agriculture and agribusiness. It's not an action group; therefore, if anything happens as a result of these meetings, it's entirely up to the individual members.

Scheuring: It does sound like a power center, or lobbying point, for influence on the agricultural scene in the state.

Coke: I'm sure it's had influence, but since the group takes no official action, it's not a power center as usually construed.

Scheuring: Have most of the members been in for a long time?

Coke: A few of us have been in since it started, but we keep adding new members. The total membership has stayed at about twenty-five.

The State Milk Program

Scheuring: Have commodity groups had influence in the capitol? I'm thinking of the milk people.

Coke: Yes. The milk people have had real influence, which I think they probably have mostly lost, but they have had some very good friends in the legislature. They have done a good job of keeping their lines of communication in order and they work hard at it. If you go to Sacramento, you always see three or four of the milk lobbyists around. They never let things drop. Whether you like it or not, I think they really have had influence, and I think still are influencing legislation and programs in milk.

Scheuring: What about other commodity groups?

Coke: Not so much so. On the other hand, there is no other commodity group that needs legislation like milk, because it is so involved; the milk industry's whole existence is based on legislation over a period of time.

Scheuring: Did you have input into the Gonzales Milk Pooling Act of 1967?

Coke: Yes, I had input into it; I thought it was unwise. Joe Gonzales knows I thought it was unwise. I had hoped something would kill it, but it was too strong.

Scheuring: What were your objections? Was it too regulatory?

Coke: Of course. It was the last step in socialization of the milk industry.

Scheuring: I've heard it said that the milk industry is regulated like the public utilities.

Coke: That's right, without some of the controls that you have on public utilities. I think it would be better if they were a public utility. But dairy farmers don't want that.

Scheuring: What was the story of the milk pricing conflict? I know that's a huge subject, but in general terms could you describe what happened in the milk industry while you were in Sacramento?

Coke: I really don't think I can, even though I was in charge of the program for some time (laughter)! Let me try, though.

In the United States and in California especially, milk has been a "sacred cow" (laughter). There was a time a few years ago when there was a feeling that we simply had to have milk--it was nutritionally necessary, and without it our babies would starve and the whole country would go to pot. Now this was, I'm sure, promoted in part by the milk industry; they've done a good job of promotion. So there was a real opportunity, which was taken by the milk industry, to set up milk programs of various kinds. These were national; there were pricing programs on a federal basis, and then there were also various states having various other programs. The state of California never adopted the federal program for milk control, but established its own, wherein it finally evolved that a producer was given a production quota, and the price of the milk he produced was established by the state.

Scheuring: What was the reason that California didn't go with the federal program? California always seems to think it's a special case.

Coke: Yes, it thinks it's special. We really had the program, I think, prior to the federal legislation. And maybe that was the reason. At one time we thought very seriously of going into the federal program, but we didn't, and I just presume it was primarily local pride. Although we were able to do some things in the state program that the feds were not able to do. I'm inclined to think the feds had the better program, and it would have been beneficial in the long run to California to have a federal program rather than a state program. But that kind of hindsight doesn't help now.

The state director of agriculture was charged by the legislation with the responsibility of establishing the price for milk produced at the dairy, also the price of milk at the retailer and the wholesaler. All three steps were established by the Department of Agriculture. Those prices were supposed to be based on cost, after cost studies were made. Prices were established on a regional basis because the situation was different in various areas of California. The most recent state legislation controlling the dairy industry was called the Milk Pooling Bill, in 1967.

Scheuring: You said you were not in favor of the act as it evolved.

Coke: I would have preferred very much not to have had it, because it put in the hands of government the complete control of the state milk industry.

Scheuring: Was it ever your feeling that there was anything corrupt about milk lobbying groups? I know such groups are very powerful in Sacramento;

Scheuring: and of course there was the national scandal of the milk contributions to John Connally and some other Washington figures. Was it ever your feeling that there were the wrong kinds of pressure in Sacramento?

Coke: I never saw it, if it was there. Maybe I was a naive public servant but there was only one attempt to bribe me in my six and a half years in Sacramento; there may have been other attempts but I didn't recognize them. But this one was a very definite offer of money to the governor if certain things were done, and that was not in the milk industry.

Scheuring: How did you handle that?

Coke: I told them that the answer was no, that I would not even take it to the governor, and that I hoped he'd never mention the thing again, that I'd have nothing to do with it whatsoever.

Comments on the Wine Industry

Scheuring: Shall we talk about the wine industry? What were the controversies in the grape industry at this time? A tremendous amount of acreage was planted during this period.

Coke: A lot of money came into the grape industry. They have had that before. There was a time, many years ago, when the acreage of grapes, mainly Thompson seedless was rapidly increased; but these were raisin grapes and they didn't have a market. The same thing has happened now. A lot of outside people came in with capital, and planted vines on the basis that there was huge money to be made in wine grapes. So many people are being hurt and will be hurt very seriously because there is no market for the great quantity of this wine that will be produced.

Now the whole wine industry is changing. It used to be that the high quality wines were produced in the coastal areas. This is still pretty much so except that the growing area for varietal grapes has increased, and the production is increasing, so there is more of this quality wine than there ever was before. The bulk wine that is produced from Thompson seedless grapes is still a problem; they are the people who will be hurt most because for that low quality wine there just won't be any market. But this will have to sift out on its own as to who has the market, who's tied in with the best marketing firms.

There was a development here that I thought was really great. That was with the Heublein Company which is a large producer of

Coke: vodka and other products, and has a whole line of products that they produce and market--a very well financed company headquartered in Hartford, Connecticut. Heublein made an offer to the Allied Grape Growers to join with them, and Allied took it. I thought that was so good, because Heublein was an international marketing organization who knew what it took to spend money in product development, and would spend the money. They had the capital to improve the wineries of Allied Grape Growers, to make them more efficient and more productive.

Scheuring: Allied Grape Growers was a cooperative? Mainly small growers?

Coke: It's a large cooperative made up of several hundred growers. As a co-op they did nothing but produce bulk wine. They had no real market and they had no research on product development. So they were kind of coasting along. I felt that this infusion of money would be a great benefit to the co-op and the members.

Scheuring: When Heublein bought it, it was no longer technically a cooperative, was it?

Coke: Well, it's still a co-op. All they did was to spin off their marketing operation into Heublein rather than have their own. But they've gotten into trouble, and I'm not close enough to know all the reasons. They're suing each other, though I think it may be more a personality problem than a technical problem. I still think that fundamentally the growers needed money. They needed to have capital to modernize their plants, and Heublein provided that. They needed to conduct research; this is something that co-ops seldom do, spend money on research, because the pay-off of that is tomorrow, not today. They needed not only product research, but an improved marketing organization, which Heublein had.

State Marketing Orders

Scheuring: In general, how do you feel about state marketing orders and advisory boards?

Coke: I think marketing orders are great when they are confined to improvement of product, quality control, and some marketing operations. They've done a real service for some agricultural industries in California.

Scheuring: Do you think they've been on the whole pretty effective as a kind of self-help program?

Coke: As long as they stayed in the areas I mentioned. But when marketing orders start to control production, then I think they've got into something they can never get out of.

Scheuring: Since the late sixties there are pre-production controls in some marketing programs--green drop in peaches, for example.

Coke: Yes, and that, in my opinion, has been one of the problems in the cling peach industry.

Scheuring: Wasn't there a so-called peach bill during the time you were in Sacramento, which Governor Reagan vetoed on your advice?

Coke: That's right. This was a bill that was largely sponsored by California Cling Peach Association, Ralph Bunje's organization, and it was carried by Howard Way. It would have controlled the new peach plantings in the state. The peach industry has other controls on everything else now. They can have green drops and do all kinds of things to control production. But they have found that whenever they controlled production, then the price of the product went up, and then people planted more peaches--and that's been the trouble with the program all the time. So this was legislation that would have controlled the new plantings of peaches. The governor felt--and I felt--that this had just gone too far. And so even though it passed both houses by a good vote and even though the proponents for it brought several legislators down when it was up on the governor's desk for signature, the governor said, "No, I can't go for this." And I think he did a wise thing.

Scheuring: Did you and he talk about this particular issue?

Coke: Oh, we talked enough so that he knew what I felt and I knew how he felt. But you don't talk much to the governor; you don't have time and you don't have the occasion. State administrators don't sit down and chat about things like some people. The problem is up, here's the stack, here's the situation, is it yes or no, if we do this? So conversation is limited to final decisions rather than shooting the breeze.

Scheuring: Some people thought you had a good deal of influence on Reagan's vote.

Coke: Perhaps.

Scheuring: I mean on that particular occasion.

Coke: I'd like to know. I think the governor would have vetoed it if I had said nothing, because it was opposed to his philosophy.

Scheuring: Well, certainly it would have ramifications into all kinds of other areas.

Coke: Well, my golly, when you start that, there's no end.

Scheuring: In 1969, while you were there, the tomato growers' advisory board sponsored a pre-production control proposal, and this was defeated by a late vote. I heard that you delayed the whole thing until the opposition had had a chance to organize the negative vote. Is that correct? Because you didn't believe in pre-production controls.

Coke: Well, I didn't believe in it, but if I was smart enough to delay the vote until the opposition came up, I didn't realize it at the time! But it was probably a smart move. Because I don't think the tomato industry would have benefited by production control. When production itself is controlled, that makes it attractive then for money to come into the industry, and so you get more investment in the industry than the markets can support; it's a vicious circle.

Scheuring: Of course consumer groups are against having production controls because that would increase the price of the product.

Coke: Of course, I have little sympathy for the consumer attitude on this.

Scheuring: How do you feel about public representation on marketing advisory boards?

Coke: I think it's bad. How can a non-industry person exercise any influence? In the first place, they don't know much about the problems. It's an advisory position on a board that meets maybe once a month for a couple of days. "Public representatives" get a smattering of what is going on but I don't think they can really understand the total effect of a decision. I'd hate like the dickens to be a public member on an advisory board, to be the minority opinion. Yes, I would be frustrated. I speak from experience because I'm a public member on the OSHA--Occupational Safety and Health Administration. I know, I think, a little bit more than most public members do about what goes on, but I'm frustrated anyway.

Scheuring: Well, you could extend the argument that if you have public members on advisory boards as part of the agricultural industry, you might as well have public members on the boards of other industries--Ford, or GE, or other corporations.

Coke: Well, aren't there? At least there's a pressure to get that done, and that makes not very much sense.

Scheuring: Had consumer groups started to press for public representation while you were in Sacramento, or has that happened since you left?

Coke: This has happened since I left.

Scheuring: What were the first rumblings of consumerism in Sacramento as you saw them? Of course, you had charge of the Department of Consumer Affairs.

Coke: Well, at that time it wasn't really a "consumer" department. It was intended more to protect the consumer from abuses in the marketplace. The consumer could correspond or phone into the Department of Consumer Affairs, present their problem, and investigation would be made. So it was more of a fact-finding operation, but certainly not with the idea that is now prevalent, that the consumers ought to have a voice in everything that's going on.

Scheuring: Is this the department that has charge of all licensing for vocational standards?

Coke: Yes, that's right. Which in itself is quite an operation.

Scheuring: Anything from beauty operators to morticians.

Coke: Yes, and of course, the pressure is to have more of these licensing groups. There are all kinds of groups that want to be licensed. We had a policy that we weren't going to add any more. We got caught once or twice and had to add a new licensing board, though.

The Franchise Tax Board

Scheuring: Maybe we could talk about the Franchise Tax Board a little bit. That was one of the departments underneath your jurisdiction as secretary. Were you involved in the controversy on the confidentiality of tax returns in welfare cases?

Coke: No. You see, my relationship with the Franchise Tax Board was merely one of convenience. Martin Huff, the head of that department, was not really responsible to me. He actually is the most secure man in the state of California, because Martin can only be relieved from his executive position on the Franchise Tax Board by a majority vote of both houses of the legislature. And that would be hard to get. He'd have to be awful. But the facts are that Martin is a great guy, and he's doing a magnificent job.

Scheuring: Well, if you didn't really have any jurisdiction over his department, it's kind of strange that it was put into that agency. You'd think it would be connected with the Department of Finance.

Coke: It might have been but the Department of Finance was sitting out there alone too. It was just a matter of convenience. I was glad

Coke: to have them with us because I enjoyed Martin Huff, and he was a real plus in our discussions within the agency--what we'd do and where we'd go and all these things.

Scheuring: When I talked with Mr. Huff, he mentioned that you were upset when it seemed that there was some kind of a leak out of the department on Governor Reagan's tax return.

Coke: That's right.

Scheuring: How did you deal with that? How did this get out to the press, that Governor Reagan had not paid any state income tax for a couple of years?

Coke: There was a leak. And Martin knew it; well, he found out about it. Actually I don't think it did any harm. Sure, it caused the governor some embarrassment, but he wasn't doing anything illegal. He was doing just what the law allowed. My guess is that he wouldn't have done that, had he known what would happen; he would have advised his tax consultant that he would forego the benefit of his legal tax advantages rather than have that kind of problem.

Scheuring: It does seem a breach of confidentiality as far as the leak is concerned. Was someone disciplined for this, or did you ever find out how it happened?

Coke: Not exactly. We didn't really figure anyone was trying to "get" the governor--and I use the word "get" in quotations. But somebody had some information and leaked it, and of course the press picked it up and made quite an issue out of it.

Directors of Agriculture Under Governor Reagan

Scheuring: After you were made secretary of the agency, who was appointed director of agriculture? Were these men of your choice?

Coke: Well, they were men that I recommended to the governor. The governor, of course, makes the appointment. Dick Lyng was the first director. I was looking for somebody who had had business experience, a person who had found it necessary in his business to deal with profit and loss--he would better understand what the people that we serve in California in the Department of Agriculture have to put up with. Dick met that requirement because he had run his own seed business, and been very successful at it. I was even a little surprised that he was interested in becoming director of agriculture. I found out that he would do it, and the governor agreed, so that

Coke: was the basis of the selection. It had nothing to do with politics whatsoever.

That was true also with the selection of Jerry Fielder after Dick left to go to Washington to the U. S. Department of Agriculture. As to the selection of Jerry Fielder, I didn't think Jerry would be interested because he was running his own business. He had quite a business in dried beet pulp and dehydrated alfalfa and was very successful at it, but he pushed that all aside and came in as director and did a magnificent job. Both of them were fine directors.

Scheuring: Wasn't Jerry Fielder killed, after a couple of years, in a plane crash?

Coke: Yes. He flew his own plane. I'd flown with him many times--he was an excellent pilot. It was one of these freaks of nature; he was coming into Sacramento Executive Airport and was just about to land, was being controlled by the tower. There were thunder clouds around but apparently from the tower it looked liked everything was clear. He got into something that just tore his plane apart. It was a great loss. I don't think I ever quite recovered from that, so far as the department was concerned.

Scheuring: Brunel Christensen was his successor, right?

Coke: Yes, and Brunel was a fine person. I'm sorry that he died so soon after leaving the department--everyone liked Bru. One of the reasons for my recommendation of Brunel to the governor was that he, like Jerry and Dick Lyng, was interested in less government rather than more. At that time there was considerable pressure, primarily by some of the fruit people and tomato people, to get legislation that would control the acreages that people could plant or harvest. And this was going too far, in my opinion, because they already had many things that government was controlling for them. So when we were selecting a director of agriculture, I wanted somebody that I felt sure would be strongly opposed, actively opposed, to more government in agriculture. Well, the cattle industry had over the years had a history of being very independent and I knew Bru Christensen was of that belief. I surprised him very much when I called him one day and asked him if he would be interested in being director. He was not a candidate--what I'm trying to say is that he wasn't trying to be. In the case of the others, none of them were candidates for the job. They were just the people who were available if you gave them the opportunity.

Scheuring: When the position of director of agriculture is open, is it subject to a lot of pressure from groups trying to put forward candidates for the governor's attention?

Coke: To a certain extent, and especially if you delay making the appointment. There was apparently, in the case of my original appointment, as director, quite a lot of pressure on the governor, or at least suggestions from various people. But in my own case, I moved fast enough so that that pressure didn't build up. So I think I had, for those three appointments that I was involved with, a minimum of pressure.

Historical Notes on the Department of Agriculture

Scheuring: Has it historically been true, since there have been directors of agriculture, that they have come from a farm background, either producing directly or being involved in processing?

Coke: I think that's true, yes. I don't know them all, but starting with George Hecke, the first director, he had a farm outside Woodland. He was certainly a farmer--I wouldn't say a farmer "type", but he was really agriculturally oriented. He was director for a number of years. Actually I knew the Department of Agriculture when it first started under George Hecke; and I knew George Hecke. He was quite a guy. For years he was the director of "agriculture of which I'm the head." I'm quoting. And a very fine person.

Scheuring: Were you ever out to that famous old house his family owned in Yolo County?

Coke: Oh yes. And I went to college with his daughter. As a matter of fact, she and I each had a calf to "fit" for Picnic Day. I'm not sure who won (laughter)! Lena, wasn't it?

Scheuring: I don't know her name, but she married a Hardy.

Coke: Charlie Hardy. That's right. The agricultural commissioner for Yolo County. She was a very nice gal.

Scheuring: There's been some talk about turning their place into a state historical farm after they pass away. I guess they're willing to donate it to the state.

Coke: That's a beautiful old place. And it had a swimming pool. Dr. George Hecke jumped into it one time when it didn't have any water in it, and it damned near killed him.

Scheuring: Oh dear.

Coke: After George Hecke, the department had--and this is not in order

Coke: because I don't remember the order--Jake Jacobsen who was a career person in the Department of Agriculture, but did a fine job as director. Everybody had a great feeling of confidence in Jake. He was honest; he was fair, and he knew agriculture.

Then there was an interim when there was Bill Parker. He was kind of a bull in a china shop, but didn't do a bad job.

Later the department had a fellow named Jim Ralph, who was a character. He didn't last very long, only a month or so, thank God.

And then Charlie Paul. Charlie was a nice guy--totally innocuous. He kind of coasted along with what was going on. He loved his golf games, and he made a soft easy type of director. He had a ranch, a farm or a peach orchard down at Exeter.

Scheuring: It's been more or less traditional then that the director of agriculture comes from a farm or agribusiness background. When the agencies were formed in the executive branch in 1968, was it an unspoken understanding that the secretary of agriculture and services would also be from an agricultural background?

Coke: No, that was a promise that the governor made.

Scheuring: Governor Reagan?

Coke: Governor Reagan said that as long as he was governor, that whoever would be secretary of the agriculture and services agency would be agriculturally oriented.

Scheuring: And was that true of James Stearns, after you retired?

Coke: Yes, he has ranching interests. That's the only thing you can say about him.

Scheuring: Actually, then, two key individuals, the secretary and the director, traditionally have been agricultural people.

Coke: That's right.

Scheuring: Which is not the case now in this [Governor Edmund G. Brown, Jr.'s] administration.

Coke: It is not the case now.

Views of the Farm Labor Controversies

Scheuring: What was the story of farm labor disputes during your tenure in Sacramento? That was a very interesting period.

Coke: Yes, it was. Chavez, of course, was building his organization and using the boycott of agricultural sales to force farmers to sign contracts with him. The sad thing about all this is that it had nothing to do with the workers. The workers had no choice whatsoever, whether they wanted to belong to a union, or which union they wished to belong to. Chavez didn't provide any means of doing that. Chavez was trying to bring the farmers and processors (but primarily farmers) to their knees so they would sign contracts with him--Chavez--that would provide for the hiring of people through the Farm Workers' Union (Chavez's union). But there was no opportunity for a worker to express an opinion on this.

Scheuring: You mean if the contract was signed directly between the grower and the union, the worker just had to go along with it?

Coke: That's right. And he then had to pay the union dues and he had to abide by the union regulations. That wasn't a free election. And it didn't, in my opinion, add very much to what we had.

Scheuring: Didn't Governor Reagan make a statement in his first inaugural speech about trying to get some kind of farm labor legislation?

Coke: He did, and for the time he was there we tried to get farm labor legislation.

Scheuring: Could you describe what went on?

Coke: Well, there were a lot of things, but the final effort that was made, which I was involved in before the Reagan administration went out, was an attempt to get the Teamsters, the AFL-CIO, and the growers, to agree to legislation that would provide for a secret ballot and the right of an individual worker to determine what, if any, union he wished to join. I got that group together. And we had agreement among them. Jack Henning of the AFL-CIO, Vern Cannon of the Teamsters, representatives from the growers, and we agreed that we would get behind the bill which we were asking Senator Harmer to put into the hopper . . .

Scheuring: Was the UFW not involved in these talks?

Coke: Well, the UFW was involved in the talks through the AFL-CIO because they were an affiliate of the AFL-CIO. But we were not dealing

Coke: directly with them, we were dealing with Jack Henning. And of course, there was our problem. It turned out that even though Jack said that he could go along with what we were trying to do, which was simple legislation that would provide for secret ballot and the right of any worker to pick what union he wanted to join (or none)--we got into it a little ways and Jack said, "I'm sorry, I can't go with you." He said, "We have a policy in the AFL-CIO that if any of our affiliates object to a program that we have been sponsoring or have been considering, that we will not go on." And he said, "Chavez has objected to this, so we cannot go with you on this." Well, of course, that killed that effort because the power of the AFL-CIO in that legislature was so great that there was no possibility of being successful if they were going to oppose us.

Scheuring: What were the sticking points with the UFW? And of course, the AFL?

Coke: Well, of course, this big contracting fight was going on between the UFW and the Teamsters and it was a part of an uneven battle for a time. The Chavez union was in the lead at one time, and then the Teamsters got real active and they got the upper hand in the contracting with growers for membership in the unions. So Chavez was playing his game of trying to figure out where he would come out on top, just as he is today. Even though we've got legislation now which has set up this agricultural labor relations board, which does provide for a secret ballot. The balloting is going on, but Chavez is yelling foul play.

Scheuring: Have you ever met Chavez personally?

Coke: Yes.

Scheuring: What was your impression of him?

Coke: He's a person that hides behind a saintly look but he's just as vicious as anybody could be. He has sold some parts of the Catholic Church with his cause, the justice of his cause, and with that support they have been able to do some real harm to some of the grower groups in their boycotting. If it wasn't for the boycott tactics--if that had been outlawed, Chavez would amount to nothing.

Scheuring: Wasn't there at this time an attempt to mount some form of farm legislation on the national scene as well? I think Senator Murphy . . .

Coke: Yes, Senator George Murphy--well, this was quite early in the Reagan administration--Senator Murphy did attempt to carry farm labor legislation, and there was considerable discussion about whether we would have a revision of the National Labor Relations Act to include agriculture, because agriculture had been excluded from that act, or whether it would require a new bill.

Coke: I think the farm groups were very short-sighted in not getting behind the revision of the National Labor Relations Act to provide the same techniques that have now come out in California. We would have had a national scheme. What we're doing right along in California is providing legislation that is costly to the producers of California, and it means that we have more difficulty, and will have, in competing in the markets of food and fiber because of these high costs.

Take a recent example, where the legislature has provided for unemployment insurance for agricultural workers. Reagan was for this all the time, but not on a state basis because it is so expensive, and his thesis was that it should be a national program, not a state program. But there are all kinds of things where the farmers of California and agricultural interests of California are being saddled with high-cost government programs that put us at a considerable disadvantage when it comes to competing with the rest of the United States.

And in the Cal-OSHA program: we have what everybody says is the only real operating state OSHA program, which of course, is under the Occupational Health and Safety Act. I'm a member of the board that sets the standards, and we set enough standards that it costs the people of California--the business people of California--a whale of a lot of money. Most of the other states do not have state OSHA programs. Most of them are under a federal program and they're not as demanding as we have come to be here--some people in California have taken real pride at how good we are in our accident prevention. Well, if OSHA was confined to accident prevention and health matters it wouldn't be so bad except that so far we can see no reduction in accidents resulting from OSHA's activities. But we have a lot of social reforms that creep into this thing.

Scheuring: You say in retrospect that the farm groups might have been better advised to really press for national rather than state legislation.

Coke: That's right, especially the farm groups in California.

Scheuring: Of course national legislation may still be coming if you consider the California 1975 legislation perhaps a model for the rest of the nation.

Coke: Well, it might be coming, but the pressure for it is not as great as it was, I don't think. I think we lost the opportunity of really having a national farm labor bill.

Scheuring: Do you regret it, or do you think Governor Reagan does, that the farm labor issue wasn't settled during his administration? He did mention that specifically in his first inaugural speech.

Coke: Oh, I would imagine that he would say that's one of the failures of his administration--that we didn't get the job done. We had all kinds of study groups going, but we didn't get the legislation. We have excuses, but we didn't get it, and it would have been a real benefit to California.

Scheuring: You should have had two o'clock in the morning meetings where everybody's blood sugar was low. I understand that's the way of getting results (laughter).

Coke: Well, we didn't have two o'clock in the morning meetings but we had lots of meetings late at night. I don't know whether I mentioned it before, but one of the techniques we had with the cabinet in getting our discussions through, was to have breakfast meetings. Two or three times a week we'd have breakfast together. There was never enough time to get done what we needed to get done, but we did have opportunity to discuss a lot of things then.

Scheuring: The word "breakfast" makes me think of another group that I was going to ask you about. We talked about the Executive Bulls. Wasn't there also another group that has to do with agriculture that meets in Sacramento, called the Tuesday Morning Breakfast Club?

Coke: That's right. Those people are lobbyists. I attended on invitation some of those breakfasts--very few. But this was an attempt of the lobbyists to get together and discuss various things, which always is good.

Scheuring: To keep them up on current developments in agriculture?

Coke: That's right.

The Williamson Act

Scheuring: In 1965 the Williamson Act was passed with the intent to encourage the preservation of agricultural land by giving certain tax advantages and so on. As secretary of agriculture, did you have anything to do with the implementing of the Williamson Act?

Coke: The Department of Agriculture was responsible for the administration of the act. I had no part in the act's enactment. I did get in some trouble with a decision I made in the Bakersfield area; I was sued.

But the Williamson Act, in my opinion, has not been very effective. It may have saved some agricultural land from being taxed out

Coke: of existence or being forced into sale for purposes other than agriculture. But I don't think we'll look back at the Williamson Act as any great milestone in agriculture.

Scheuring: Did that suit have to do with the state funds that were supposed to be given back to the counties for each acre in preserve?

Coke: That's right.

Scheuring: I read in the Fellmeth report, Politics of Land, that you had not requested the $40,000 or so in your budget in agriculture that was supposedly earmarked to go back to the counties to implement the Williamson Act. Why didn't you ask for the money?

Coke: I felt it wasn't a legitimate charge against the state treasury.

Scheuring: After a couple of years that proposed incentive funding dropped out anyway. But at least while you were there, even though it was supposedly written into the budget, you didn't implement it. Did you approve of the act in general except for that?

Coke: No. I thought it wasn't well written. It just wasn't designed in a way that could be very effective in reaching its goals.

Scheuring: Some critics do say it hasn't had the effect that it was intended to have.

Coke: I don't think it has worked. I don't know whether it can work.

Scheuring: You mean because the taxation benefits are not enough?

Coke: Yes. And there are no provisions to take care of the costs of government to the county of the land taken off of the tax rolls. The county supervisors wouldn't want to, didn't want to go with the Williamson Act because they lost their tax revenues.

Scheuring: Do you mean that in some counties the supervisors either discouraged people from using the Williamson Act, or at least were not very enthusiastic?

Coke: That's right. They sure weren't.

Scheuring: Well, I only know Yolo County, but it seems to have worked pretty well there; at least the county board is enthused about it. Maybe that's unique, I don't know.

Coke: Maybe.

Scheuring: It does seem to operate differently in different counties.

Coke: I must say I never got close enough to it even though Kern County sued me for something that had to do with the Williamson Act. It wasn't a big part of my life, I can tell you that (laughter).

Scheuring: You don't remember just why they sued you?

Coke: No.

The Water Project Strike

Scheuring: What was the story on the strike in 1971 against the state water project? I know you played a key role in the settlement of that strike.

Coke: Well, let's go back just a little bit on that. The State Personnel Board was in my agency, so it seemed natural that I would take the responsibility for the state-employee relationship, which I was glad to do. After I left they set up a big group of people to do this job, but I did it myself.

The thing I found was that the state employees were primarily interested in being able to reach the governor with their complaints. Well, of course, you can't reach the governor easily. But we set up a system whereby the employees could come up through a series of steps and get to me, and I was willing to sit down and listen to any legitimate group problem that they wanted to bring up. Then if the problem seemed important, I could take that to cabinet. So they did have an entry to the governor on any problem they might have.

Well, I did quite a bit of listening to various groups. But the fact that the process was available to them kind of took the pressure off and there was less demand to go to the governor than we expected. They seemed to be satisfied with the fact that I would listen to them as secretary of the agency. So I became, then, through this kind of effort, the person who dealt with the State Employees Association.

The State Employees Association's executive officer during the early part of the Reagan administration was, in my opinion, a very fine person who was a real statesman (he was so much of a statesman that they canned him!).

Scheuring: What was his name? Taylor?

Coke: No, Walt Taylor is the one who took his place. And Walt was not a statesman. He thought he could maintain his position by stirring

Coke: up trouble and bringing up issues, rather than settling anything. I understood that he had to be unreasonable in order to hold his job, but that didn't bother me.

Problems would come up and they would get in touch with me, and I would try to straighten out the problem if it was possible. I met with the State Employees Association at their annual meetings and talked to them. As a matter of fact, they gave me a standing ovation when I talked to them once at a meeting in Anaheim. So I had good relationships with them.

Then the electricians in the Department of Water Resources got teed off on some issue--I can't remember what the issue was, and it really isn't important at the moment--and they threatened to strike.

Scheuring: Isn't this the central issue in collective bargaining, whether public employees should be able to strike?

Coke: Oh yes, this is the central issue. Let me finish the description of this particular strike and then we'll go to that.

If they had struck, it would have closed down the pumping plants in the water distribution system of the State Water Plan. It was at the time of year when water demands for agriculture were very great, and it would have done an enormous amount of harm had the water supply been shut off. So we were in a real critical situation. I met with the State Employees Association, and with some members from the electrical union. They were asking--I guess they must have been asking for money, but they understood that we couldn't do anything. The administration does not have the authority to give anybody more money. It has to come from the legislature. And it turned out that at three o'clock one morning (we had been meeting all night), that they would be satisfied and would not strike, if they got a letter from me saying we had met and discussed the situation. This was an innocuous thing, I couldn't understand what value they'd get out of it. But that's what they wanted and that's what we gave them, and we avoided the strike.

I think most of these problems can be solved with some close attention. The best way to cause strikes is to push people around, and not listen to them.

Scheuring: In this case they were satisfied that you had--what's the terminology--that you had met and conferred; that their grievances had been recognized, even though not acceded to.

Coke: That's right. Well, let's go to the basic issue here, which I feel very strongly about. State employees have security under the rules

Coke: of civil service, and therefore they are employed under different conditions than in private concerns. They have tenure. They have a State Personnel Board to whom they can go regarding grievances.

But you can't have everything. You can't have protection under civil service and then the right to strike. Because who do you strike against? You strike against the people of California. There's no way in which the people of California, except through the legislature, can do anything about the grievances in a particular problem.

Scheuring: You were quoted in the newspaper as being against legislation covering state employees, preferring to see grievances handled by executive order . . .

Coke: That's right. Because I think that's workable. The legislation would have provided for mandatory arbitration and . . .

Scheuring: You don't think that is good?

Coke: No, not as long as you've got civil service. If they want to give up civil service, then I'd go for the mandatory arbitration.

Scheuring: You see arbitration as just another level of government?

Coke: Well, of course it's another level of government. And it's another way of bringing your pressures on. You can't have them both.

Scheuring: Let's see. You came across, I think, generally as quite sympathetic to civil service. According to my sources there has sometimes been tension between the appointees and the civil servants, yet that doesn't seem to have been true in your case. You really accepted them as being well qualified and able.

Coke: I thought most civil servants were great, and they did a bang-up job. The charges sometimes made by the public that they sleep on the job is not true, because I found--sure, there were some exceptions--but on the whole they were hard-working, conscientious, and okay.

Scheuring: What was the public employee safety program that you worked on?

Coke: The cost to the people of California from accidents, whether in public employ or otherwise, is very great; we had figures for state employees that it was costing us several millions of dollars in accidents per year. We figured we should do something about it. Fortunately, we had a very aggressive and broad-gauged workmen's compensation administration, and they came to us and offered to give us a person from their staff who would work with us on reduction

Coke: of accidents among state employees. The governor got behind it, and we made this an issue at various management meetings. We had the accident figures for each department; we brought pressure on department heads to get involved in the safety program. If management doesn't do anything about safety it won't be done. So we developed almost a contest--we displayed the poor results of some of the department. May I say, the worst department in the state was the governor's office.

Scheuring: In automobile accidents?

Coke: Yes, you name it. Their costs were higher (I think I'm correct in this); at least they were quite high and when we would hand out the trophies and little gadgets in trying to make these things work, we always gave the governor's office the booby prize. I thought this was kind of terrible. We'd all get a laugh out of it, but it kind of indicated the lack of concern of the governor's office itself in being a part of the operating administration of the state of California. The governor's office can be something way off and apart from the operating entities within the state government.

I don't know whether the program is still going, but I would hope so, because it is one way in which we can not only reduce the cost of government, but the pain and sadness that go along with accidents.

Scheuring: Was this program sponsored by the State Personnel Board?

Coke: Well, the real leadership came from the workmen's compensation group. It was my job as secretary of the agency to try to keep the thing going on the part of the administration.

International Trade

Scheuring: Under Governor Pat Brown some effort had been made to encourage international trade in agriculture. State trade offices were established in San Francisco and Los Angeles. Did that continue under Governor Reagan?

Coke: The effort continued--but those offices were closed down, because they were manned by people who were political appointees, and we had no feeling of confidence that they had any competence in the field at all. They did some traveling. They'd go to Japan, for instance. And we would check (we had sources for checking), and their efforts in Japan were negative rather than positive.

Then, of course, the Brown administration developed the Chilean program, in which there was supposed to be a big exchange

Coke: with Chile. We were going to do many things for the Chilean government; and that got into a mess. We had an awful time trying to close that out because the federal government had put money into it. The administration was totally political. The federal government was trying to make us, in Reagan's administration, pay the bills that hadn't been paid under the Brown administration. We were threatened with a suit. I'm not quite sure how we came out of it.

Scheuring: Were the trade offices closed because the people staffing them were incompetent, or was it that in principal Governor Reagan didn't feel the state had a role there?

Coke: No, in this particular case it was that the people were incompetent.

Scheuring: But does the state government have a place there, do you think?

Coke: The state should confine its activities to helping people in industry and agriculture understand the potential of foreign trade and how to get involved.

But international trade is largely on a federal basis. The state has little control over the rules, regulations, or trading options that any business might have.

Scheuring: After these state trade offices were disbanded, were there other efforts made to expand international business for California agriculture?

Coke: No, nothing very effective. We did have an international trade committee, appointed by the governor, and we talked and encouraged business, but there wasn't much that could be done. Increased trade had to come because of the people in agriculture and industry who were on the ball getting the job done, and eliminating or at least identifying the roadblocks to getting more business. And most of the roadblocks were matters that could only be handled on a federal basis, not with the state.

The Cal-OSHA Program

Scheuring: When were you appointed to OSHA? And would you explain what OSHA does?

Coke: I was appointed by the governor to the OSHA Standards Board after I left Sacramento, and I was appointed for a three-year term.

Coke: I had a real responsibility for the development of the California OSHA program, while I was still secretary. This shows how things creep up on you.

Our director of the Department of Industrial Relations, Bill [William C.] Hern, was going back and forth to Washington attending meetings. He wasn't very good explaining to me what it was all about; actually he didn't think it was very important. Well, what it was, was the start of the OSHA program--it's a federal program--passed by the Congress in 1972. It was largely designed by labor and has some of the most unworkable things in it that you could imagine.

Well, it turned out that the states had the opportunity of developing their own OSHA program first, or turning it all over to the feds. In these early stages when we didn't know very much about it, it was the concensus of people who were involved in business and industry in California that we would have a more workable program if we could keep it under state control, rather than have to depend on the feds for all of it.

We made that decision before we realized that even though we had a state program, we could be pre-empted on anything that we did by the feds, according to this legislation. So we didn't really have control. We might have some influence, but we didn't have control. But we went along, and my recommendation to the governor was that we have a state program. We went through an enormous effort, going through the regulations to try to get a California program that would be as effective as the federal laws in all respects. That was one of the requirements.

Scheuring: This was done in the agriculture and services agency?

Coke: In my office, yes. Al Reis was my assistant secretary at the time, and I got him in primarily so he could handle this. He did a good job on a most difficult thing. The state was to get federal assistance for one half the cost of OSHA. That was an inducement to go along, but the costs of OSHA are so high that I'm not sure that the state has much advantage. The whole theory of OSHA is that there will be regulations set up which will provide greater safety and better health for workers. We haven't seen any progress in California in the reduction of numbers of accidents since the program has come into being, but maybe it's too soon. I think as with most government programs, that people get sidetracked. Instead of really doing an educational job that would increase the safety of a particular operation, they're more concerned about the number of inspections, the numbers of people that they can cite, and the amount of money that they can collect from the fines that they impose. And that becomes a criteria of success rather than a reduction in the number of accidents.

Scheuring: How is California OSHA financed, through the state budget?

Coke: Half by the state budget and half by federal funds.

Scheuring: There must be quite a corps of employees who are inspectors.

Coke: There are 167 compliance officers in the state of California.

Scheuring: Now these regulations which the board passes--I'll be specific and mention the requirement for a roll-over bar on tractors, which is a regulation that I think is relatively recent. When the board votes on these, they become law?

Coke: They become a law, that's right. The OSHA Standards Board has jurisdiction over the laws and orders in the state involving labor in both work-related accidents and in health.

Scheuring: Is there a lot of public testimony and so on given before new orders are passed?

Coke: Every order that we put into effect has to be discussed in a public hearing ahead of time. And sometimes it takes more than one public hearing to get all the facts out. Then the board makes a decision on the basis of the facts that have been presented at the public hearing, plus other information and letters that come in, and so we are pretty well informed before we make a decision. The standards board has only one responsibility and that is to establish the standards. The compliance and the staff work that has to be done is largely done through the Division of Industrial Safety in the Department of Industrial Relations.

Scheuring: Let me ask you about the short-handled hoe, which was just recently banned in California by the Supreme Court. That seems like an issue that might have been dealt with inside OSHA.

Coke: It was. But then it found its way to the Supreme Court and they made the decision. And it was an absurd thing for the court to get into that. According to the safety information that we had, there is nothing unsafe about a short-handled hoe.

Scheuring: But the testimony was that it was detrimental to health in the long run.

Coke: Yes, it was detrimental to health; therefore the Supreme Court banned it. But when I go down on Market Street and I see these guys laying bricks on the sidewalks of Market Street, that's a hell of a lot more hazardous to health, in my opinion, than a short-handled hoe.

Scheuring: I'm not arguing the case, but I thought that OSHA would also be dealing with these kinds of questions.

Coke: Yes, except that the state Supreme Court took that out of our hands.

The 160-Acre Limit Controversy

Scheuring: Governor Reagan called a task force on the acreage limitation problem in federally irrigated lands. In 1968 they issued a report which recommended the outright repeal of the 160-acre limitation on water rights from federal projects. Do you remember the task force or who was on it? Did you have anything to do with it?

Coke: I had something to do with it. I was on it, with Bill Gianelli and somebody from the state Chamber of Commerce. But I don't have anything else to say about it. I still think that the 160-acre limitation, which is now being discussed so much in the press, was a move that in 1902 had some validity. But it has no validity in 1976 because the whole economic situation has changed. If they think they're going to get people back on ranches of 160 acres in California, in the west side of the San Joaquin Valley, where there are huge problems of water and water development and distribution, problems of supporting and financing the equipment necessary for mechanization--I just think they're blowing up the wrong place. This is going to be a real disaster to the state if we get back into the sort of thing that has happened before.

We had it at Orland, we had it at Tule Lake, where the Bureau of Reclamation, instead of going to the 160-acre law, divided that area up even smaller because of pressures to take care of returned veterans. In Tule Lake I think it was forty acres that they put the veterans on, or perhaps it was eighty acres there and forty at Orland. Until they kind of beat the rap and got these consolidated, it was a form of ghetto. And it's bad. You'll have a ghetto in the San Joaquin Valley, if what they're now proposing, enforcement of the 160-acre law, is successful, because it cannot be done. You cannot make it work.

Scheuring: What precisely is the 160-acre stipulation on the provision of irrigation water to farmers?

Coke: In 1902 the Congress of the United States passed a law which said that anybody who receives water from a federal project could not receive water in excess of that necessary for 160 acres. That, as I say, was 1902. In 1902 you farmed with horses, and 160 acres, particularly an irrigated area, was a large farm. So it caused no particular problem then. But the law has not been changed. Today 160 acres is not an economic unit, unless you're growing strawberries!

Scheuring: Intensive crops.

Coke: Some very intensive crop. And yet the agricultural people of the West are saddled with this limitation, which means that if I have more than 160 acres I cannot get water from the federal project. I must then either dispose of the acres (and there is a ten-year period in which to dispose of the excess acreage) or turn it over to the Department of the Interior for disposing.

Scheuring: Isn't this complicated by the fact that there is no such restriction on the water coming through the State Water Project?

Coke: That's right, there is none. Therefore, if you can have state water, or if you're pumping from underground water, or you come to get water from some of the privately owned projects, of which we have several in California, then you do not have to operate by the 160-acre limitation.

Scheuring: Then perhaps the limitation doesn't apply to very much percentage of agriculture?

Coke: Oh yes, it does.

Scheuring: Does it? Well, how do they get around it?

Coke: That's a good question. My friend, Russell Giffen, who at one time owned 70,000 acres in the San Joaquin Valley, much of which is in areas that would be supplied with water under the federal project, has divested himself of an enormous amount of land. But if he, at the end of the ten-year period, has not disposed of all the land in excess of 160 acres (or 320 acres for him and his wife), and he turns it over to the department, then they're supposed to dispose of it. If they can't, he continues the farming.

Scheuring: Dispose of it in what way?

Coke: Sell it.

Scheuring: It ought to be easy enough to sell, since the law states it should be appraised and sold at pre-water value.

Coke: Well, they can't give it away. You go in the market today and try to find somebody that will farm either 160 or 320 acres; you can't make it with that small acreage in the San Joaquin Valley. You need more acreage than that to survive.

Scheuring: Let's go back for a minute, because I missed something. What was the ten-year period you were referring to?

Coke: According to the Reclamation Act of 1902, from the time a farmer starts receiving federal water, he has ten years to dispose of all land in excess of 160 acres. But, you see, most of these projects have not been completed except within the last ten years. So the problem of the disposal of the surplus acreage is just coming about.

Scheuring: How do you think it should be resolved?

Coke: By a change of the law. It's an uneconomic law.

Scheuring: Have farm organizations tried to fight this law?

Coke: Oh yes, we've had all kinds of things. Farm organizations, the governor of the state of California: we've had many different kinds of efforts to try to find some way of changing this. But the social reformers are too strong for it.

Scheuring: The purpose of the legislation supposedly was to encourage the small farmer, but of course, farms even in other parts of the country are getting bigger all the time anyway.

Do you think that irrigation for agriculture should be subsidized in some way by the federal government?

Coke: No, I don't think so. Probably there was better reason for it in the start because development was needed in the West, and this was one way of getting it. But we have made proposals to the federal government that the total operating cost of the projects be paid by the users of the water.

Scheuring: By the users. In effect that would jack up the prices of food and fiber to the buyer, wouldn't it? Because the cost would have to be passed on.

Coke: Yes.

Scheuring: Economically the issue seems clear enough, but the two big policy questions are, one, whether it's to the public benefit to have this concentration of a large amount of land in a few hands. That's kind of a philosophical question.

Coke: Sure. And of course this has been the argument for and against the family farm that's been raging for a long time.

Scheuring: If you use that as a philosophical question, I admit that you don't limit it to agriculture. You have to . . .

Coke: Go all the way along the line, including government (laughter).

Scheuring: Maybe the other question is whether it's right for profits to accrue to individuals as a result of public works.

Coke: Well, yes. The question is, who makes the profit? I think the real profit is made by the general public. If through a system of agricultural operations, a farmer is able to produce something cheaper than other people, he actually gets very little benefit from that. Maybe for a year or so, but there's no law against somebody adopting the system that he used, and so the public quickly benefits in decreased costs. I believe that food and fiber production at costs people can afford are far more socially needed than the idea that everybody should have a hut on 160 acres.

Scheuring: Professor Paul Taylor of UC Berkeley, of course, has for years and years been arguing about the 160-acre concept on the side of strict implementation of the law. Did you know Paul Taylor?

Coke: Yes. And I think he hasn't done society much service in encouraging the kind of thinking that he does. He has encouraged Gracie MacDonald. Gracie MacDonald was an advocate of the same thing; anything that has to do with efficiency in agriculture she's against.

Scheuring: Where's she from?

Coke: The San Joaquin Valley. I don't think she's alive now, but for years she put out her own paper.

Scheuring: Was she associated with George Ballis down in Fresno?

Coke: No.

Scheuring: He put out a paper--a labor paper.

Coke: No. This was not a labor paper. This was anti-anything that was good.

Scheuring: Among other things, Professor Taylor urged the federal purchase of excess land and suggested, at least in 1970 along with the National Education Association, that the government purchase and resale of these excess lands be used to finance public education. What's your opinion of that?

Coke: I don't know how that could be done. Purchase . . . and resale for public education. As an ex-banker I don't understand any of this thinking.

Scheuring: Do you know Ralph Brody? The manager of the Westlands Irrigation District, which is currently [1976] being studied by a U.S. Senate subcommittee.

Coke: Yes.

Scheuring: What's your opinion of him?

Coke: I think he's very good. Ralph knows his business and has the confidence of people, and is a sound administrator, so I think we're lucky to have Ralph.

Scheuring: I've read, and of course it's been in the Chronicle just lately [February 1976] that a number of holding companies have been formed to get around the literal division of farm properties in the Westlands; and that even though many more names are now, in '75 and '76, listed as owning property there, the acreage itself is still farmed in the huge units it has always been. Could you discuss this?

Coke: No. Because I don't know. The first big property that came on the market as a result of the 160-acre limitation was the DiGiorgio property at Delano. I got involved in trying to do something about that. I was with the Bank of America at that time.

Scheuring: Pardon me. Wasn't Mr. DiGiorgio also on the bank's board of directors?

Coke: He was on the board of directors, yes, and still is. But this had nothing to do with his being on the board. Here was a grape and fruit operation--the DiGiorgios had about 9,000 acres, I believe--where they had the irrigation system set up to take care of the whole area, and to cut that up would make it difficult to irrigate. They had packing houses to take care of the fruit from the whole area. To cut that property up into 160-acre units would cause real difficulties. That size acreage would be too big for one piece and not large enough for the rest. I was hoping that we could find some way in which we could sell this property out legitimately--that is, sell 160-acre pieces, but on the basis that they would be operated as a whole. We made a proposal to the Bureau of Reclamation and they turned us down. It couldn't be done. So that meant then that DiGiorgio went ahead and sold the property out. What I didn't realize at the time was that they wanted to get rid of the property. They were not interested in maintaining the 9,000 acres.

Scheuring: Was that then sold out in individual pieces?

Coke: Yes.

Scheuring: What happened then to the irrigation system and warehousing, etc.?

Coke: It had to be broken up because I doubt very much whether there was any collective operation.

Honored Guest

Scheuring: Let's talk about your testimonial dinner while you were secretary. In 1970 you were the guest of honor at an "Agricultural Achievement Dinner". Who put that event together?

Coke: I guess it's a little dangerous for me to try and name names because I'll probably miss somebody. But the real leaders, from what I saw, were Jack Pickett of the California Farmer, Al Thorpe--Al at that time was manager of the Dried Fruit Association. Why they did this I don't know. They could have picked up other people to honor in this way. I suppose one of the advantages in selecting me when I was secretary was that they could get a commitment from the governor to come (laughter) to the dinner. Of course, that made it a success! They charged twenty-five dollars a plate for the dinner, and it was beautifully done at the Commercial Club. The governor did come down from the capitol for it, and people were there because the governor was there.

Scheuring: And because you were there (laughter)! It was a group of friends and associates from long years that met together to honor you?

Coke: That's right. They gave me a plaque, for "outstanding agricultural achievement", as you see it here.

Scheuring: Has this been done again since for anybody else?

Coke: No, there hasn't been.

Resignation

Scheuring: You resigned in 1972 after six and a half years in the Reagan administration. Why did you resign?

Coke: It was my eyesight problem. Of course, that came on very suddenly. I was having some trouble and I went to the doctor to have my eyes tested. When I started to drive back to my office, I couldn't see--and that was the last time I've ever driven a car. It was a hemorrhage of the retina and it came very suddenly like that.

Scheuring: It was devastating enough so that you couldn't do paper work anymore, or read?

Coke: No. It has improved; I'm doing much better now than I did. But I'm very decidedly handicapped not only in reading but in dealing

Coke: with people. I think I've said this before, but if I haven't, I want to say it. The greatest handicap is not to see people's faces. I wouldn't even attempt to run a meeting anymore because I have learned that your understanding of what's going on is largely from the expressions on people's faces and not from what they say. And if you don't have that--it's just a blank wall, and you really don't know what's going on.

Scheuring: I think you're absolutely right. Of course, you were already seventy-two, which is beyond the age of retirement anyway, but it was certainly revealing of people's opinion that you were given so much tribute and recognition on your retirement both by colleagues and also by the press. You had quite a number of nice articles written about you in the press.

Coke: I've been very fortunate in that. Just fortunate, that's all.

Scheuring: What have your activities been since you retired? Besides Cal-OSHA, of course, in which you're still quite involved. Have your pursued any other interests that you never had time for?

Coke: Some of the things I had planned to do I couldn't; because I can't see now, and so I'm limited in that way. I do much more "reading" than I've ever done before, because of the material I get on my recordings from the Library of Congress--"Records for the Blind". At least I've had a chance to hear some very fine things. Incidentally, it was Martin Huff and other directors in my agency who first introduced me to the availability of books for the blind. They presented me with a tape recorder on my retirement.

Scheuring: Have you done any traveling?

Coke: Oh, we've been to Europe twice--Spain and England. I get along pretty well as long as I'm on a regularly planned trip. I find very great difficulty in trying to see signs at airports, so I need to have a planned program. We've had some very nice trips. We've been twice to Europe since I retired.

Family

Coke: I'm very fortunate in that "Billie"--Elizabeth, my wife--had traveled before we were married. She has taken great pleasure in really taking me and showing me some of the places she had been, so we find that traveling together is very satisfying. Now that I don't see so well, she is of course the guide. But I see just enough that I can get along pretty well.

Scheuring: How long have you and Mrs. Coke been married?

Coke: We've been married nearly twenty years.

Scheuring: Mrs. Coke has children of her own?

Coke: She has a daughter and two grandaughters, and four great-grandchildren. I have two sons, six grandchildren. No great-grandchildren . . . yet.

I'm proud of my two sons. One is an architect practicing in San Francisco. The other son is an associate professor at San Jose State University specializing in audiology and speech pathology. He also handles the Foreign Student Services there.

Scheuring: So he carries on your lifelong interest in education.

Coke: Yes.

Other Honors

Scheuring: Let's go on to the honors that you have received from the University of late. You have been the recipient of two or three very nice awards. What were they?

Coke: I have one here. In fact, I have two . . . how about you doing the reading?

Scheuring: "In commemoration of the 100th anniversary of the California Experimental Station this certificate of appreciation is presented to J. Earl Coke for his contribution to the growth and development of services to the people of California to the continuing work of the University of California Experiment Station."

That was given in November of last year, 1975, and then this one is a beauty. This was given in December of 1975 by the University.

This award reads: "J. Earl Coke, son of California, a lifetime servant of California and United States agriculture; in government as assistant secretary of the United States Department of Agriculture; Director, Commodity Credit Corporation; Director, California State Department of Agriculture; Secretary of the Agricultural and Services Agency as well as Assistant to the Governor for Cabinet Affairs, prominent in business and Vice-President of Bank of America and Vice-President of Spreckels Sugar Company, reared on a farm in the great Central Valley, an outstanding 4-H

Scheuring: Club member and participant in the first 4-H transcontinental tour, a devoted friend of the youth of California's agriculture as Director, National 4-H Club Foundation; President California 4-H Foundation and member of the National 4-H Service Committee, dedicated to education as the University's first Agronomy Specialist, served as Assistant Farm Advisor, San Luis Obispo County; Director of Agricultural Extension Service and holder of the National Certificate of Recognition of Epsilon Sigma Phi; for his service to agriculture, the University of California Division of Agricultural Sciences inscribes this accolade to one of its most honored and distinguished servants."

And that's signed by J. V. Kendrick, Jr. and David S. Saxon as president. That's beautiful.

Coke: Not totally accurate, but then enough so.

Scheuring: I think we've got all that in our oral history. There was one other honor that you had also. It was the dinner in February. Did you receive an award?

Coke: No. It was social, a very fine occasion. I don't understand why all these things are coming. I guess if we live long enough, some of these things happen! Chet McCorkle, who's executive vice-president of the University of California, and his wife had a dinner at their home in Berkeley for me, and invited about thirty-five people there, all of them people that I had worked with and known over a period of years. So it was a thoroughly enjoyable evening.

Scheuring: I understand Reuben Albaugh was there from Davis, and Milt Miller . . .

Coke: Yes. Milt was the first agronomist after I left. Harry Wellman and many other friends were there.

Scheuring: It must have been a very pleasant evening.

XI. A SUMMING UP

Scheuring: What do you yourself regard as the greatest successes in your career and why?

Coke: I read that question when you sent it to me, and I've been thinking about it. I don't know how to answer it. If I had done something where I discovered a new planet or a new crop or something like that, then I'd say, "Yes, I did this." But my whole life has been devoted to dealing with people--other people who did things. The thing that bothers me about even what we have done here in this oral history is that it would be so easy for somebody to read this and get the idea that Coke thought that he was a great guy and did all these things. I may have been a catalyst perhaps in working on some projects, but my own accomplishments have been in working with people, not things. Other people did things. I can't answer your question?

Scheuring: In a sense you have. It's your ability to bring people together that I suppose has been one of the crowning achievements of your career. Bringing people together in a variety of ways productively.

How would you contrast your experiences in the private and the public sectors? Did you prefer public service or private service? You were on both sides of the fence in your life.

Coke: I enjoyed both. I don't see that much difference. If you have a job to do, you do it to the best of your ability, whether it's in the private sector or in the public. Some things are much easier to do in the private sector, because you are not limited by so many laws and regulations, and people don't look down your throat quite as much in private as they do in the public. But I never had much problem in either one.

Scheuring: This is kind of a long-range question. How do you think more qualified and committed people could be attracted to government service in these days of government "credibility gap"?

Coke: Certainly not by the present laws that govern the operation of people in government. There are so many limitations, and all

Coke: brought about because of some very bad abuses, but people have to have some freedom of operation and of action--and I think the lawmakers are making it more difficult for people to serve in public jobs. They've gone way overboard in trying to protect the public from abuses.

Scheuring: Well, how do we build that kind of commitment among people to want to contribute to the public good in some way?

Coke: Well, I'll tell you. I may be political, but I would say that we nominate Governor Reagan for the presidency of the United States. What we need in this country--and really I don't care whether it's Reagan or not--is somebody who can lead us into being honest, being better than we are, who want to do public service because there is a real opportunity to help the country and not just ourselves. Without that kind of leadership, I don't think we're ever going to get a better government or society.

Scheuring: It takes some kind of a figure with charisma or whatever . . .

Coke: Yes, it takes a Winston Churchill.

Scheuring: What about long-term trends in agriculture? Since you've had three quarters of a century now in agriculture on many different levels, what do you see as the long-term trends, both good and bad, over your lifetime?

Coke: I think the principal thing that's happened in my lifetime is the ability of research people to find answers to agricultural problems, which have made it possible to increase production of food and fiber at lower costs. I'm disturbed now because I see some weakening of that; but I lived in the heyday of the research person in agriculture in California (and I know this is true throughout the United States). The reason that we are able to produce food and fiber for the people of the United States, plus much of the world, and do it at a cost that we can afford, is the result of research and the ability to capitalize on research. First, of course, comes the research work, and then comes extension, because researchers have no value until the research is applied in the farms and fields.

With the team of research and extension we really went to town in California. Along with that, we had the capital required to do the job that research said we could do. The movement of capital was important, and that's where in California the Bank of America has been a really significant factor, by providing leadership in agricultural financing.

The thing that disturbs me now is the social do-gooders who are riding high. I read with a great deal of concern what's happening in Fresno now [February 1976] with the congressional committee

Coke: on the Westlands. I think we could find ourselves in the position, pretty quick, where we'll be looking at the time not too far off, when we won't have the abundance of food and fiber that we have at the present time. We may even be looking into a time when starvation may be a real threat. But we don't have to!

Scheuring: So in terms of where we might be going, you think that we ought to be gearing up for more research, rather than letting it decline?

Coke: I sure do. And instead of dividing up the economic units into ghetto-sized operations, we ought to encourage the most efficient operation we can get in agriculture. Now this doesn't mean that farms have to be 100,000 acres to do it, but whatever efficient size is, we should have it. We should start from the side of efficiency; and if we have a social problem as a result of this, let's take care of the social problem without jeopardizing the supply of food and fiber that we need in this country and this world.

Scheuring: So we ought to maximize the use of limited resources.

Coke: And help other nations to do the same thing.

A PERSONAL NOTE

To have been selected to participate in the oral history project at UC Davis was a great honor and proved to be a very interesting experience. It would have been a disastrous experience for me had it not been for Ann Scheuring's guidance, her research and patience. Being a person whose main interests involved the planning and execution of things happening "today" I made little effort to accumulate records of past events. Neither have I spent much time reviewing or analyzing the past. In other words, I am not an historian. This I now regret. My oral history, therefore, is from the "top of my head."

J. Earl Coke

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Ann Foley Scheuring was born and raised in Oregon. She graduated from the University of Portland with a B.A. in English and Philosophy, and did graduate work in English and German as a Woodrow Wilson Fellow at the University of California at Berkeley, and a Fulbright Teaching Assistant in Bonn, Germany. After receiving her Master's in English and doing further graduate work at Berkeley, she spent several years teaching college English while raising a family on an Illinois grain and vegetable farm with her husband David. She also spent a year as assistant editor of a small town Illinois newspaper. On moving back to California with her family in 1974 she returned to graduate school at UC Davis to earn her M.Ed. in Applied Behavioral Sciences. Since working on Earl Coke's oral history she has been employed at University Extension in Davis as program co-ordinator for Continuing Education in Agricultural Sciences and Management.

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